

A 1

DataScan Systems Inc. The Superimposed Accounting System (SAS) Patent (Provisional) filed

Summary Statement

* The SAS system is a set of algorithms defined at the Computer Accounting System (CAS) operator level and demonstrated to be true through DataScan (CAS) operations. The SAS system utilizes the DataScan system as a host CAS system for supporting independent (integrated) GL data management for Controllorship / FIT systems purposes in this case.

* The SAS system utilizes a host's General Ledger (GL) system's data/report structural elements for ^{prior} Balance Sheet / Profit and Loss report production for special designated purposes:

1.) To provide Business users with a packaged and instructional approach to period selection, GL data review, adjustment and reporting for special purposes (Controllorship / FIT)

2.) To provide service center users with improved Business Client data management capabilities for performing Client Controllorship services and FIT report services

Important

{ This SAS partnership for Business and Service centers will eliminate the service center need for (used) Trial Balance software packages (see enclosed).

Data Scan Systems Inc Definitions

Controllershship System (CTR)

The CTR Computer Accounting System (CAS) is set up to automatically and correctly assign balanced G/L accounts to all transactional entries (cash, AR, AP, Inventory) on a real time basis. The result of the CTR accounting system is the determination of profit or loss without consideration of "non cash adjustment" elements and the determination of working capital, investments in fixed/other assets and term contracts Receivable/Payable provided these entries are defined and entered correctly. The only additional adjustments might be cut off accrual adjustments for "accrued payroll", accrued AR taxes and accrued sales/excise taxes. The CTR system is designed to support Business Financial management.

Entity FIT System

The entity FIT system determines ^{FIT} taxable income and expenses gross and net. This can involve on a special basis of accounting (cash basis, modified accrual basis etc) and special treatment of owner commuter, ~~health~~ employee benefits, etc expenses for different entities (sole proprietor, partnerships, corporations, etc)

Conclusion

There are at least two accounting systems (see above with defined purposes. Small business operators (most) cannot correctly set up and manage either of these CAS accounting systems correctly and consistently within in a host CAS system. The SAS system is designed to be integrated with host systems and yet operate independently of that host system to facilitate that Business/Service Center partnership necessary to do both designated systems (above)

→ This will eliminate the need for Trial Balance software

Definition

by Ted Needleman

In software, the term "trial balance" is sometimes used interchangeably with "write-up." While the two applications are similar, they offer different features and are best used in different circumstances.

Write-up and trial balance packages both allow users to enter clients' general ledger and other financial information, and to produce financial statements. But write-up's major purpose is to produce the clients' primary books of record, which it frequently does by using a subsidiary to perform after-the-fact payroll and fixed-assets functions.

Trial balance software is not designed to produce the detailed books and records that a client requires. Instead, it's designed to serve in a compilation, review or audit situation, to let the engagement team produce the worksheets and statements necessary.

Trial balance software can also be used simply to provide a quick way to perform an entity's year-end closing, with adjusting and closing entries made, final financial statements generated and the closing balances easily transferred into a tax preparation package.

Many practitioners make do with their write-up software, or a spreadsheet, rather than spend the money for a specialized trial balance package. This has resulted in a very limited market for this type of software, and only a few vendors even serve it.

This review looks at the following products: CaseWare 98 from Caseware International; AuditVision from CGI Inc.; Accountant's Trial Balance and WorkPapers Plus, both from Creative Solutions; GoSystem Audit from RIA; and Accountant's Relief from Micro Vision Software. RIA and Creative Solutions are part of the RIA Group of Thomson Financial Services, which also owns Faulkner & Gray, the publisher of Accounting Today.

The most important features to look for in a trial balance package are those needed in your particular practice, with the types of clients you service. The cornerstone of a trial balance package is its trial balance capabilities, which involve not only the types of working and adjusted trial balance reports it generates, but what you have to go through in order to get them produced.

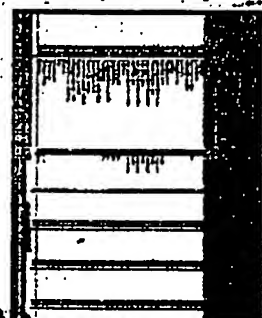
Client set-up is important, and you may also need the capability of importing balances from write-up or general ledger software. Data entry is another feature to look at, not only as it applies to client set-up, but also when it comes to entering balances and adjustments.

If you use the package to help perform audits, compilations or reviews, its ability to produce leadsheets is important for analyzing account balances. Also important is its ability to generate and organize worksheets during an audit or review.

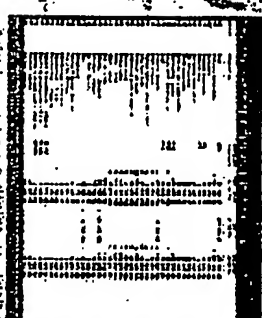
All of the packages covered in this review provide these features to some extent. All also offer some word processing capabilities from a built-in utility, but none are anywhere near as powerful as stand-alone word processors -- but then, they do

Tried-and-true trial balance software packages

Trial balance software



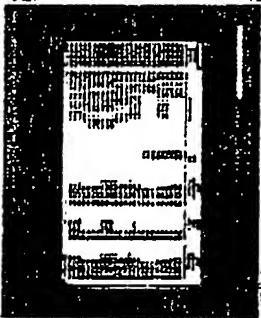
CaseWare 98
Caseware International Inc.
145 King Street East
Toronto, Ont. M5C 2Y8
(800) 267-1317
www.caseware.com
Price: \$490



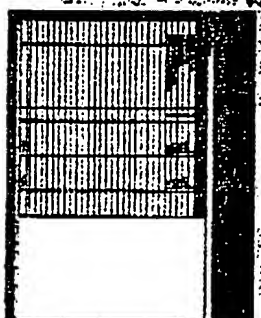
GoSystem Audit
RIA
2395 Midway Rd.
Carrollton, Texas 75006
(877) GOSYSTEM
www.go-system.com
Price: \$685 (single user)



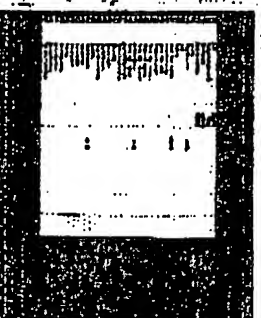
WorkPapers Plus
Creative Solutions Inc.
3322 Newman Blvd.
Dexter, Mich. 48130
(800) 968-8900
www.creativesolutions.com
Price: \$605



AuditVision
CGI Inc.
21260 Hawthorne Blvd.
Torrance, Calif. 90503
(800) 46-THOEX
www.progsolcni.com
Price: \$395



Accountant's Trial Balance
Creative Solutions Inc.
7322 Newman Blvd.
Dexter, Mich. 48130
(800) 808-5900
www.creativesolutions.com
Price: \$770 (MSRP)



Accountant's Relief
Micro Vision Software Inc.
140 Fell Court
Hauppauge, N.Y. 11788
(888) 736-4334
www.mvsi.com
Price: \$685

These utilities are mostly used for preparing notes to the financial statements, engagement letters of the compilation, review or audit report letters that protect a set of bound financials. If you need more elaborate formatting capabilities, examine the export capabilities of the packages you are interested in.

All six of the packages reviewed offer extensive statistical analysis capabilities. If you perform a lot of quantitative testing, you may want to also invest in a statistical analysis application to let you more easily calculate the statistical significance of your findings.

In the tests, each package was installed on a Compaq Presario 5600s, a high-end AMD

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DATASCAN SYSTEMS INC.,

Patent Application: Document

FOR

THE SUPERIMPOSED ACCOUNTING SYSTEM (SAS)

Applicable to

1. The Datascan Computer Accounting System (C.A.S.)
2. Over The Counter (O.T.C.) Systems
3. All Other Computer Accounting Systems

FOR Independent S.A.S. System Host
Integrated Data Management Purposes of

1. Controllorship System
2. Entity FIT System

Outline

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II System Patent Elements / Benefits

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III Accounting Systems Compared

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V Generalized DiagramVI An Elemental / Sequential Outline

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68

2. Entity FIT System

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EXHIBITS

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Glossary

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Fixed Asset Management

97 C

Contracts Payable Management

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Contracts Receivable Management

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Forecast / Tracking

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Banker Reports

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Datascan Computer Accounting System
(Algorithm) Elements

P3d) —

Page I Introduction

4 Preamble

5 Question and Answer

6 Mission Impossible

7 Advantages (SAS)

8 Disadvantages / Difficulties (SAS)

The basic elements of Accounting Systems have been understood and applied for many years both as manual systems and as Computer Accounting Systems (CAS). The group of businesses identified as "small" however, have always had certain fundamental problems:

- 1 Limited (money) resources
- 2 A very real need for financial control
- 3 They must deal at some level with accounting complexity / confusion
- 4 The need to work with service centers

Datascan Systems has had two primary goals:

1. To minimize the work involved with CAS accounting and to maximize generated report values, and
2. To facilitate both Business accounting needs and service center accounting needs.

We have been seeking a better solution to all the small business problems (above)

a short time ago it was announced that the SEC / AICPA authorities had approved a method of determining company Profit and Loss without consideration of "non cash" entries. Because we know there is a double entry (almost) completely transactional way of doing CAS Business task operations (work) and having then more meaningful GL financial Reports (no non cash automatically generated, we then set about development of the Superimposed Accounting System (SAS). Because this SAS system is superimposed for Datascan, we know the same would be true for other CAS systems.

Question

How can something (SAS) that must be programmed to be superimposed onto a host CAS system be pronounced to fulfil all the elements of a mission impossible (page 6) and be patentable?

Answer

Because it (SAS) is simply another accounting system that presents a very normal challenge to CAS programmers and all accounting systems embody the following principles/characteristics:

Input - Exactly identifiable and universally established elements as to basic elements, but variable as to the detail composition of each transaction and adjustment within these basic elements

Storage - Variable methods but exactly established as to (basic) purposes

Output - Exactly established as to the content organization of basic reports (BS, P+L, cash flow, audit trails) but again variable as to detail within these reports

An accounting system (SAS included) is a totally data input captured and report displayed working system. These systems (SAS included) are proven and provable every time input data is selected and processed. This is all a very scientific experience.

When a new (SAS) accounting system performs the mission impossible it is patentable.

FOR BOTH
Business Services
CENTRES

A Substantial Improvement (SI)

[The SAS system must provide substantial improvements over other systems.]

1. Business Task Operations (BTO)
 - o Transactional (Cash, AR, AP, PP, Inventory) NA NA
 - o GL adjustment processes (BEST source/cutoff) yes yes
 - o GL Report data gathering, editing, production yes yes
2. Provide operators with improved range & flexibility
 - o Host Data selection yes yes
 - o Audit Trail access yes yes
 - o Adjustment entry, edit accommodation yes yes
 - o Summary Data Report Presentations yes yes
 - o An (overriding) "keying" system yes yes
3. Eliminate operator work
 - o subsequent period reversing entries yes yes
 - o (mandated) period selection process decisions yes yes
 - o Each report selection (series production) yes yes
 - o Set up of titles, headings, footings (host system use) yes yes
 - o Burden of dealing with host system anomalies (keying system) yes yes
 - o Data Transfer work (Packaged) yes yes
4. Absolute TISM (systemically idiot proof)
 - o period selection process (ARE filling) yes yes
 - o Intervening Edit process/Report yes yes
 - o Reports always use host titles, headings, footings and GL codes/descriptions are held in common with SAS system yes yes
 - o Recovery Processes yes yes

B

How is This to be done?

1. Computer automation
2. Accounting system practice upgrades
 - o The template analysed report sub-system
 - o The Intervening Edit Report sub-system
 - o Period Fixed adjustment operations sub-system
 - o System Independence
 - o The Contradictorship system
 - o The Entity FIT system
 - o Data Transfer management system
 - o Report sequencing

p7d)

Advantages (SAS)

10

A Businesses

1. Uninterrupted Business Task Operations
2. Accommodates multi GL system purposes
3. Accommodates service center liaisons
4. Upgrades financial management possibilities

B Service Centers

1. Same as businesses (1-4)
2. Facilitates client controllership/FIT services
3. Justifies aggressive computer accounting systems (with SAS) sales, install, maintenance - even for low cost, over the counter (OTC) systems!

C Instructive / Educational

1. Provides a proper perspective for purposeful GL data management
2. Brings SAS system users into examination of financial indicators of business health and LAIS FOUNDATION FOR DEVELOPMENT & USE OF A BUSINESS MODEL FOR FORECASTS & TRACKING REPORTS

IMPORTANT

D Seminars (more potential users)

Seminars can go beyond the mechanics of CAS system usage into the realm of controllership. There can be examination of examples of business successes and failures (case studies).

P8 1 -

Disadvantages / Difficulties [5]

A Disadvantages
NONE

B Difficulties

1. Business Operations

- a Host system operator ERRORS and confusion
- b Time Constraints

Solution: The service center systems engagement;
hand holding / Read the manual!

2 Service Center Operations

- a Difficulty in "freezing" host GL data through period being worked (SAS) on
- b Substantial errors in host data

Solutions: Use of SAS system to identify and research problems - and then (SAS) adjust to correct them OR correct the host system and then refill the SAS system for purpose ~~for~~ data management (control / FTR report).

Page II System Patent Elements

10 Algorithms

11 Patentable Elements / Benefits
SAC Independence

13 The TAR sub system

15 The Intervening Edit Report sub system

17 The Period Fixed Adjustments sub system

19 Transfer Data Systems

21 The Controller's Loop System

23 The Entity FIT system

The Corporation System

System Patent Elements

P100) — Algorithms

The Datascan systems algorithms are all present in and for The Datascan Business ~~Fast~~ Operations and for The superimposed accounting system (SAS) as hosted by the Datascan system.

The purpose of this Patent Application is to secure rights to the SAS system elements as outlined and explained in this document as an operating computer methodological accounting system superimposed on any host CAS system. The Datascan systems serve as an example and would not necessarily contain algorithms of use to another CAS system.

However algorithms for Computer Accounting Systems (CAS) are evidenced at at least three levels (see 10B). The Datascan CAS system elements (level 3) are found in Exhibit G. The procedural algorithmic aspects are found in this document in section VI "An Elemental / Sequential Outline"

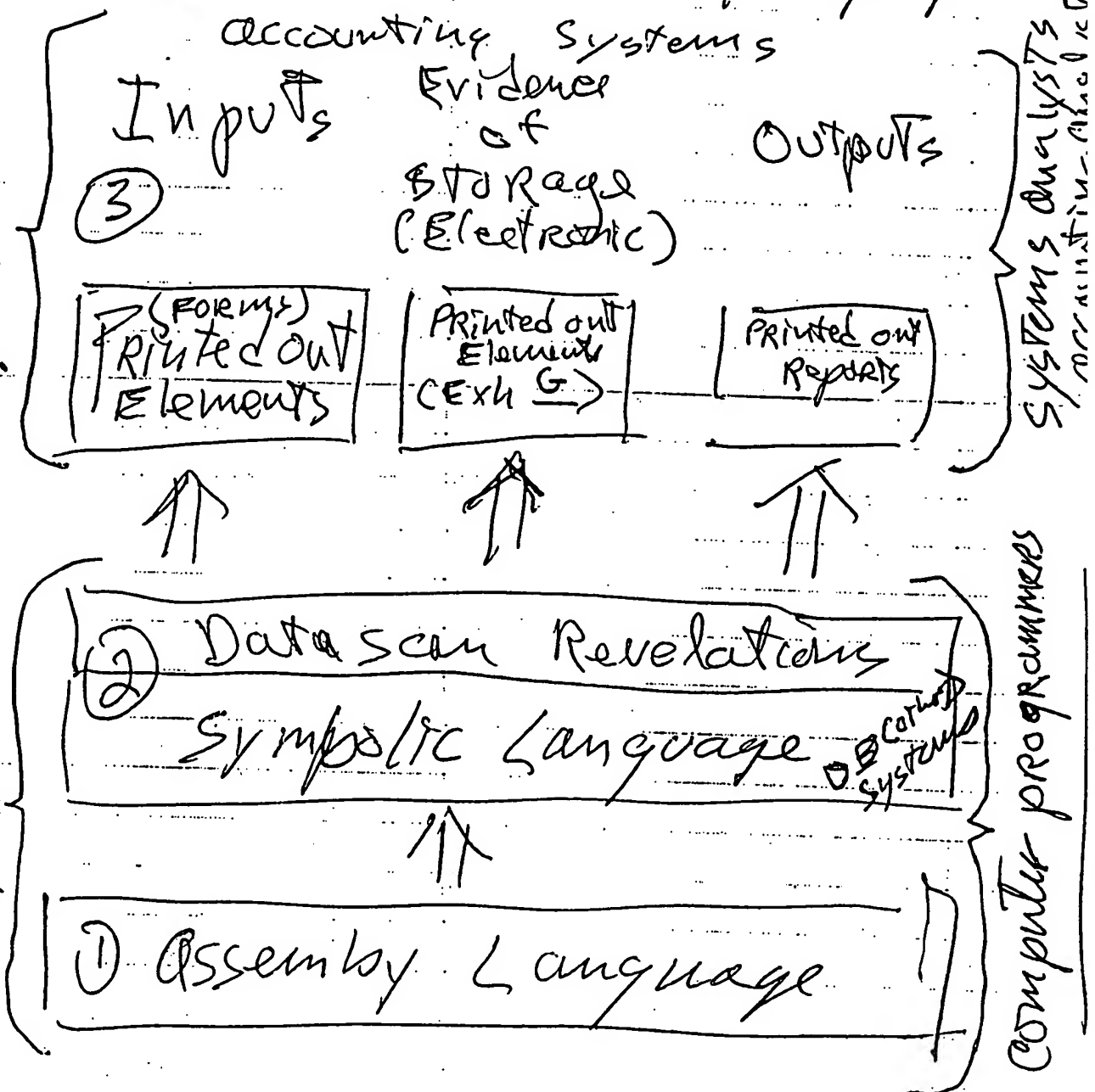
106

Structure of Algorithms 14

Computer accounting systems algorithms are found at three levels

- ③ Accounting Systems (Elements/Procedures)
- ② Symbolic Languages
- ① Base Level (Assembly Language)

Computer Accounting Systems
algorithms



SAS Independance

A We presume that the small business host system is a transactional Business Task operating (BTO) system with GL account preprogrammed connections to BTO operations and that computer accounting system (CAS) operators are usually not educated accountants. This would not however exclude the possibility of using the host system, absent the SAS system, for developing a controllership system as outlined in this document. However a host system cannot be utilized for multiple purposes. The SAS system actually works to manage three accounting systems:

1. Host system (BTO commitment)
2. Controllership system (financial mgmt)
3. Entity FIT system (Taxable income)

(Unique)

B The independent SAS status provides an opportunity to better control data transfers from and to Business users and service center users d) CAS/SAS systems (see p. 19 > (Unique))

C The independent SAS system requires the CAS operator to first select a current (prior in some cases) period for the specified purpose of either "Controllership" or "Entity FIT Report" system GL data examination, special adjustment, production of special reports (series). Married to this first step period selection step is the creation of pre filled adjustment entry options and the production of special reports all limited to that selected period (Unique)

Business

Service
Center

A Clearer Presentation
Clear selection and
display of independent SAS
accounting systems

yes

yes

B Simplification

The process of preparing
Controllership / F/T
Reports is one of examination,
preliminary Report Review,
final adjustments before
rendering accurate Reports.
The SAS system simplifies all
this

yes

yes

C. Absolute Control

The SAS operator first
step period selection and
(SAS) pre filled operation
"lock" together with
The Intervening Edit
Report IER sub system
operation is an absolute
a control over system
operator work as is
possible (See pages 35/36/37)

yes

yes

D. Recovery Processes

The start over recovery
process option together
with the fact that re-entry
and adjustment is also
a greatly simplified process
is remarkable

yes

yes

P13d

The template Analyzed Reports (TAR) Examination and Keying subsystem

- A The TAR subsystem is The CAS operator focus for Balance Sheet (BS) and Profit and Loss (P+L) summary account contextual data examination that displays host data and SAS adjustment data that can be audit trail accessed (unique)
- B The TAR subsystem is The CAS operator entry point (screen) for "Keying" TAR Balance Sheet "Cash" and working capital G/L accounts and The TAR Profit and Loss "Variable" cost and expense G/L account as a basis for managing The production of Controllership Reports (also Entry FIT Reports system) (unique).
- C The TAR subsystem is The Host CAS system focus for programming The Host system /rason operations with The SAS system and programming The production of SAS Controllership (and FIT) Reports from The SAS system data using Host system programming language and other compatible features (unique)
- D. The TAR subsystem holds The host (old) previously selected (and adjusted) period data that is used to compare any newly selected same period host data and generate an SAS Edit comparison decision subsystem analysis (The Intervening Edit Report IER system) (unique).

TAR Treatment of Beginning of year (BOY) Host Data

The BOY host data placed (found) in every selected period RTD Template Analyzed Report (TAR) comes from the same source (computer file). The CAS operator can select 12 ~~per~~ current periods for processing and all 12 of the TAR report displays will show the same BOY host data.

Also every SAS selected period will provide the operator an opportunity to make SAS (BOY) adjustments and these BOY adjustments are the same (number, date, pre-fix) as set out for the operator in every selected period "Input Adjustments options menu (page 38)".

Note: All this is very important in accommodating and simplifying the operators review and work regarding the SAS system.

1 P13 B1

1 P36 C1

P1487-

Benefits

The TAR Subsystem

A Clear PresentationsBusinessService Center

Organizes and displays (screen/print) all elements of summary Reports (BS/P/L) in separate columns associated with GL account audit trail access and period changes

yes

yes

B Simplification

- Uses Host Report Titles, headings, footings (Types/groups) and GL account codes and descriptions all in common

yes

yes

- Provides for operator "Keying" entries to identify critical GL elements in generating
 - The cash flow report
 - The working capital analysis
 - Changes in Financial Position
 - Variable costs/ expenses

yes

yes

yes

yes

yes

yes

yes

yes

C Absolute Control

- The TAR sub system is positively selected by the operator to adjust and report on only pre-filled operations linked to that selected period

yes

yes

D Recovery Process

- The start over ~~also~~ clear all entries (current period) and TAR summary accounts start over process

yes

yes

The Intervening Edit Report (IER)

A. The CAS process of downloading (updating?) the selected period host data ~~into~~ the SAS TAR sub system is repeated for each time the SAS system is revisited by the CAS operator for data review, adjustment and report generation purposes. Each time this downloading process occurs the SAS Intervening Edit Report (IER) ^{sub system} is automatically set in motion to "proof" whether or not selected host data has been changed from the last SAS corresponding period access. If host data ^{has been changed} the IER sub system will automatically screen or print out an IER comparative analysis report (page 36). The operator then is given a decision to continue on and update the TAR sub system or cancel this IER step process and ~~not~~ thereby retain the old TAR data in the SAS system.

B The ~~part~~ IER sub system also plays a part in controlling SAS system data in transfers of data between a Business user and an associated service center user.

Note: Host data can be "frozen" or closed off (password) to operator access through the period selected for SAS processing. This step could be automatically taken, however, the IER process will allow the accurate management of the SAS system in any case.

IER Out of Balance Condition

- A When Beginning of year (BOY) host data has been changed from previous SAS period selection processing both BOY column (5) differences and the "Thru Period Selected" column (8) differences will show that change.
- B When the host YTD selected period data has been changed from previous SAS period (same) processing data only the "Thru Period Selected" column (8) will show those changes (differences)
- C When both the Host BOY data and the host YTD selected period data has been changed from previously processed SAS data for those same periods Then BOY changes will show as described in (A) above however, the "Thru Period selected" column (8) changes will be the addition of changes explained in (A) and (B) above.

1P15B

1P36B

Benefits

Business

Service Center

A Clear Presentations

The EIR report clearly displays all relevant elements of data subject to Host and SAS data transfers so that audit trail examination is facilitated

yes

yes

B Simplification

Over the counter (OTC) computer accounting systems are prone to error and service center FIT services become difficult without the SAS system advantage. Manual work of coding transfer data and reentering it into a trial balance service center system is eliminated

yes

yes

yes

yes

C Absolute Control

Data transfers of all kinds are made valid (See page 324) Through This IER system

yes

yes

D. Recovery Processes

The operator option to cancel the Host period data to the TAR sub system transfer if the Host system is out of balance with SAS Host data

yes

yes

P170

System Patent Elements

Period Fixed Adjustments Operation (FAO)

Eliminates need for reversing entries

- A. The SAS system requires the operator to first select a current period for a specified (Controllershyp/IT) purpose which allows entry into that "Period independant" SAS system. The SAS adjustment options are pre-filled for that selected period; we describe all this as the "Period Fixed Adjustments" operation (unique)
- B. Closing entries are not necessary. However, an annual shift of "Period independant" SAS systems CURRENT and PRIOR ~~as~~ displayed in the Period Status Report (page 32) must be all shifted and to make available each new (next) fiscal year (12 periods) for SAS processing (see page 67) (unique)
- C. SAS adjustments are not shared with the host CAS system. They are held independant for ^{each} SAS period only. Host and SAS systems do carry the same GL accounts data and report titles, headings and footings (unique)
- D. SAS adjustment audit trails for each period independant SAS system are made accessible (unique)
- E. The Period Fixed Adjustments are always from BOY to the selected period ending. This makes every period ending TAR/adj/report system independant of all other TAR etc sub systems. The result of this treatment is that the user can reverse entries Beginning of year

FAO Adjustments - further explained

When the host system (CAS) is only partially used Best Source adjustments should be made based on EOM analyses (P39B). This would require an understanding of Beginning of Year (BOY) Best Source and cut off accrual adjustments in order to correctly record adjustments (setup entry and reversing entries in some cases). If current CAS operator practices are continued the SAS adjustments become repetitive and easily managed.

FAO cut off adjustments can be made to bring corresponding liability accounts to their correct balances. The corresponding expense account balances after adjustment need to be scrutinized to be sure they show a correct expense balance for the YTD period. This practice would eliminate the need to reverse (BOY) and set up (EOM) period ~~beginning~~ ending balances. Also if current CAS operator practices are continued the SAS adjustments become repetitive and easily managed.

P18 a - The Period Fixed Adjustments Operation (FAO)

Benefits

Business

Service center

A Clear Presentations

By types of adjustment
for operator entry:

- Best Source/Other
- CUT off (with memo support)
 - Accrued Payroll
 - Accrued PR Taxes
 - Accrued Salary/Excise Taxes

yes

yes

yes

yes

yes

yes

yes

yes

B Simplification

Entry, Review processes
for selected periods
and systems (Controllings/FIT)
is greatly improved
AND THE NEED FOR
REVERSING ENTRIES HAS
BEEN ELIMINATED FOR SAS
SYSTEMS

yes

yes

C Absolute Control

Positively "period" selected
and prefilled to allow
only entry and edit of
associated period adjustments

yes

yes

D Recovery Process

Refer to pages 12

yes

yes

P19d — System Patent Elements Transfer Data Systems

A The SAS system will encourage Businesses and service centers to use the same OTC/SAS system because:

1. Data Transfers (to and from) will be fast and accurate and non interfering with Business task operations (unique)
2. Data Transfer ability (Diskette/modem) facilitates OTC/SAS system installation and maintenance services by the service center for business clients (unique)
3. Data Transfer ability makes possible low cost Business controllership services and high profit service center (efficient) controllership services (unique)
4. Data Transfer ability makes possible lower cost (?) R/IT services? (unique)

P207 — Transfer Data Systems

Benefits

Business

Service
centerA Clear presentation

The Transfer Data SAS system will Edit the data transferred after the fact through operation of The Intervening Edit Report (IER) process with all data elements presented clearly for audit trail inspection etc

yes

yes

B Simplification

Automatically Transferred SAS data eliminates:

1. Manual analysis coding and re-entry methods
2. All SAS systems (HOST, Controllership, FIT) are integrated so historical data storage (diskette) is facilitated

yes

yes

yes

yes

C Absolute Control

Computer Edit processes supported by improved visual display and audit trail access

yes

yes

D Recovery Process

Refer to pages 12

yes

yes

part) — System Patent Elements
The Controllership System

A To my knowledge a Controllership system that can be universally described and applied ~~and~~ has never been documented, that is the case with this document, Unique

B However The SAS system can be used and misused as can any accounting system (not unique)

P22d — The Controllership System

Benefits

Business Ser
 ce

A Clear Presentation

TRUE: all elements

yes yes

B Simplification

TRUE

1. Defined Practices (Reduced)

yes yes

2. Computer automation (increased)

yes yes

C Absolute Control

TRUE

1. Operator selected period

yes yes

2. Computer lock on
associated adjustments
and reports

yes yes

System Patent Elements Entity FIT System

A The Entity FIT system facilitates host data review and FIT data entry (adjustment) and report production as an integrated pair of systems. (unique)

B. An entity FIT system might be defined by having a choice of the following Bases, Purposes

- Bases
- o Cash Basis
 - o Modified accrual
 - o Accrual
 - o Other

- Purposes
- adjust and separate out
1. Taxable income / expense
 2. Non Taxable income / expense

The Controllership and The host system should not be defined by an FIT system for Two Reasons

1. An FIT system is not defined (totally) by transactional entries and both the host system and the controllership system ^(combined) are basically defined by transactions
2. An FIT system requires knowledge of the IRS code which is beyond most CAS operators.

Note: The same series of BAS reports works for both Controllership and FIT reports!

P24A—

Entity FIT System

Benefits

Business

Service
CenterA Clear Presentation
TRUE : All Elements

yes

yes

B Simplification
TRUE

1. Defined Practices (Reduced)

yes

yes

2. Computer Automation (increased)

yes

yes

C Absolute Control
TRUE1. Operator selected period

yes

yes

2. Computer lock on associated
adjustments and Reports

yes

yes

P257 —

III Accounting Systems Compared

Page

SAS Controllership

26

Comparative Balance Sheets

27

Profit + Loss Statement

28

Quickbooks (5.0)

P260 - Financial Statement Accounting Systems Compared BS

SAS Controllership

COMPARATIVE BALANCE SHEETS

Differences Portrayed as

- Changes in Working Capital
- Changes in Financial Position
[calculated current ratio]

ASSETS

CURRENT ASSETS

Revolving Assets (Cash, AR, Inventory)

TERM CONTRACTS RECEIVABLE

Investment Balance at cost

OTHER ASSETS (GW, Corp Organization Exp etc)

Investments at cost

LIABILITIES

(CURRENT LIABILITIES)

Renewable Liabilities (AP, Accruals)

TERM CONTRACTS PAYABLE

Balance of Debt

OTHER LIABILITIES

Owner Loans / other Debt

EQUITY

Owner Investments

Owner Withdrawals

Retained Earnings

Standard

Transactional

FIT

[Over the Counter] Systems

(Same)

(Same)

Differences Portrayed as

- Balance Increases/Decreases

The same as controllership system except for the introduction of non cash adjustment elements and allocative adjustments like prepaid expenses and current portions of long term contracts

Elements are adjusted to arrive at FIT taxable income/loss

Financial Statement P27) - Accounting Systems Compared P+L

SAS Controllership

Standard and
TRANSACTIONS
(over the counter) F.I.T
SYSTEMS

PROFIT + LOSS STATEMENT

Income / Sales
Cost of Sales

[variable expenses keyed and
brought under Income/Sales]

GROSS (Contribution) Profit \Leftarrow calculated \Rightarrow

Expenses

[variable expenses are
keyed and removed to be
reported above]

(Net) operating P+L \Leftarrow calculated \Rightarrow

Other Income/Expense

(Net) P+L \Leftarrow calculated \Rightarrow

Break even Point
Sales

\Leftarrow calculated

Sources / uses
of cash

\Leftarrow calculated

Standard P+L is same as Controllership
P+L except for variable expense treatment

Elements are adjusted to arrive
at FIT taxable income / loss

Here is an example of a standard balance sheet.

The order of accounts on the balance sheet is the same as their order on the chart of accounts.

The standard balance sheet (shown here) subtotals each type of account (bank, fixed asset, and so on).

The summary balance sheet is a short version that shows subtotals by type but not individual account balances.

The amount for TOTAL ASSETS always equals the amount for TOTAL LIABILITIES & EQUITY.

Retained Earnings includes your total income minus your total expenses as of the end of the previous fiscal year.

Net Income is your total income minus your total expenses from the beginning of the fiscal year through the report date.

| Rock Castle Construction | |
|---------------------------------|------------|
| 04/26/97 Balance Sheet | |
| As of April 26, 1997 | |
| ASSETS | |
| Current Assets | |
| Bank | |
| Checking | 9,890.78 |
| Petty Cash | 37.69 |
| Savings | 61,282.28 |
| Total Bank | 71,210.75 |
| Accounts Receivable | |
| Accounts Receivable | 42,800.00 |
| Total Accounts Receivable | 42,800.00 |
| Other Current Assets | |
| Undeposited Funds | 100.00 |
| Total Other Current Assets | 100.00 |
| Total Current Assets | 114,110.75 |
| Fixed Assets | |
| Work Truck | 22,000.00 |
| Total Fixed Assets | 22,000.00 |
| TOTAL ASSETS | 136,110.75 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | 3,324.00 |
| Total Accounts Payable | 3,324.00 |
| Credit Cards | |
| CalOil Card | 63.88 |
| American Express | 39.01 |
| Total Credit Cards | 102.89 |
| Other Current Liabilities | |
| Payroll Liabilities | 614.04 |
| Sales Tax Payable | 267.27 |
| Total Other Current Liabilities | 881.31 |
| Total Current Liabilities | 4,316.20 |
| Long Term Liabilities | |
| Truck Loan | 27,330.00 |
| Total Long Term Liabilities | 27,330.00 |
| Total Liabilities | 31,646.20 |
| Equity | |
| Opening Bal Equity | 36,335.13 |
| Owner's Draw | -74,999.88 |
| Owner's Investment | 50,000.00 |
| Retained Earnings | 81,541.63 |
| Net Income | 21,424.27 |
| Total Equity | 104,461.15 |
| TOTAL LIABILITIES & EQUITY | 136,110.75 |

Profit and loss statement example

Here is an example of a standard profit and loss statement.

The profit and loss statement shows totals for each income, cost of goods sold, expense, other income, and other expense account.

Gross profit equals total income minus total cost of goods sold.

Net ordinary income equals gross profit minus total expense.

Net other income equals total other income minus total other expense.

Net income equals net ordinary income plus net other income.

| Rock Castle Construction | |
|--------------------------|-----------|
| 08/19/97 Profit and Loss | |
| August 1 - 19, 1997 | |
| August 1 - 19, 1997 | |
| Ordinary Income/Expense | |
| Income | |
| SALES | |
| Labor income | 9,800.00 |
| Markup income | 2,136.00 |
| Total SALES | 11,936.00 |
| Total Income | 11,936.00 |
| Cost of Goods Sold | |
| Cost of resale items | 213.27 |
| Total COGS | 213.27 |
| Gross Profit | 11,722.73 |
| Expenses | |
| Interest expense | 15.00 |
| Payroll Expenses | 2006.40 |
| Telephone | 29.36 |
| Truck | |
| Gasoline | 37.39 |
| Insurance | 62.00 |
| Total Truck | 100.39 |
| Total Expenses | 2,142.75 |
| Net Ordinary Income | 9,579.98 |
| Other Income/Expense | |
| Other Income | |
| Interest Income | 42.76 |
| Total Other Income | 42.76 |
| Net Other Income | 42.76 |
| Net Income | 9,622.74 |

P291 - IV Justification

The superimposed accounting system (SAS) directly addresses and improves the working conditions CAS operators face when forced to deal with the General Ledger system for special purposes:

1. CONTROLLERSHIP system
2. ENTITY FIT system

The FIT system is necessary. The Controllership system is optional. Both these SAS systems can become the platform(s) for launching over the counter (OTC) systems into the more purposeful worlds of:

1. Financial management supported by CONTROLLERSHIP (GL) reports for Businesses
2. OTC delivery of service center data processing advantages for CONTROLLERSHIP services and ENTITY FIT services
3. OTC further justification of OTC/CAS product promotion, sales, installs, maintenance for service centers

All this more purposeful approach to accounting should lead to the development of:

1. Better accounting Education/Instruction for small business
2. Better seminars/workshops (Examples!)
3. Better service center commitment and performance of services supporting CAS/SAS systems (Franchise operations?)

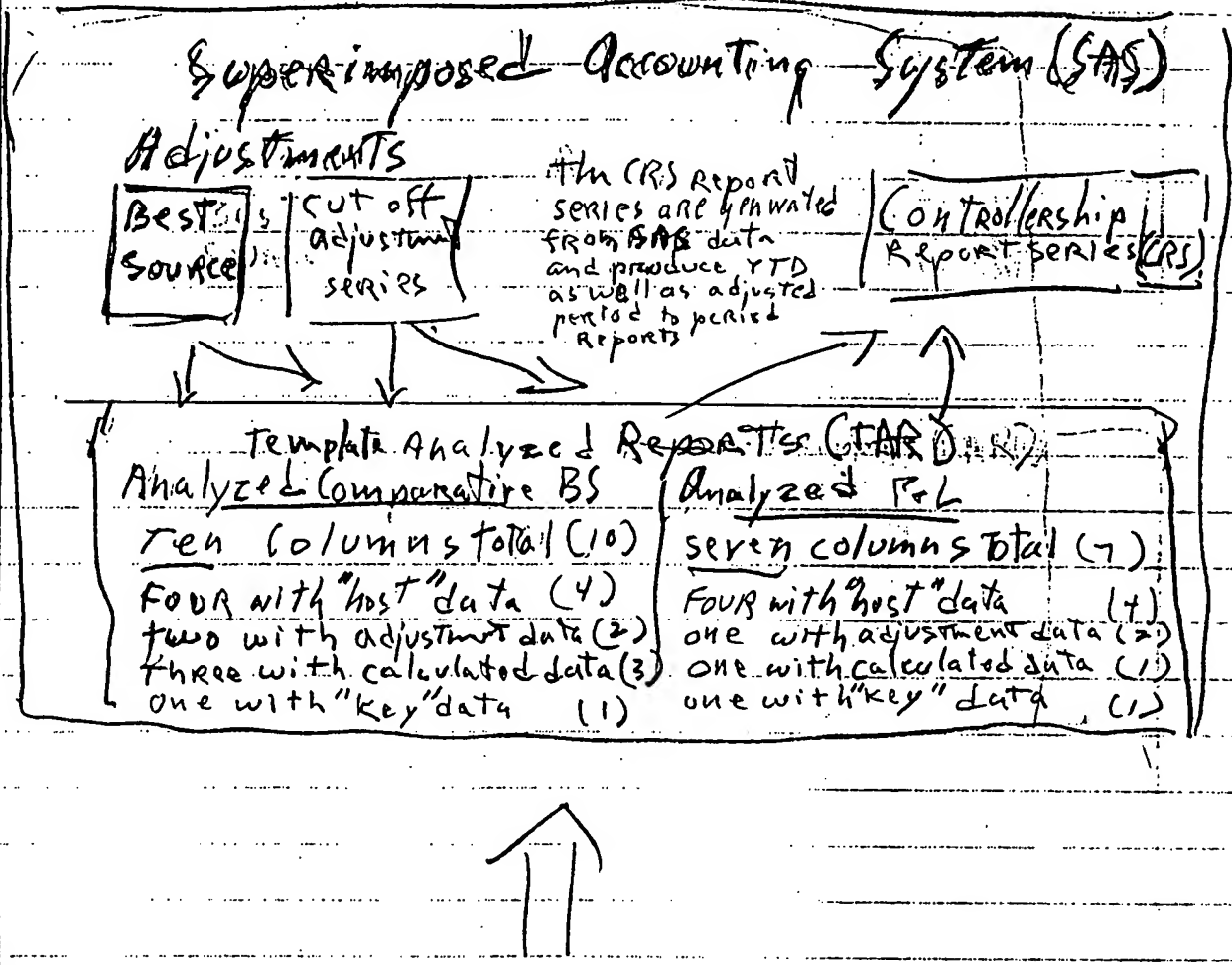
We believe that OTC systems should consider adding five supplemental subsystems that are important to both businesses and service centers:

1. Fixed asset management system
2. term CONTRACTS Receivable mgmt
3. term CONTRACTS Payable mgmt
4. FORECAST/TRACKING
5. Banker Reports

} Entered from source documents

P300

Generalized Diagram (SAS)



| Host System | |
|--|---|
| <p><u>GL Acct ID/Amts</u></p> <p><u>Financial Statements</u></p> <p>1 Balance Sheets</p> <ul style="list-style-type: none"> Beginning of year (BOY) to period Ending <p>2 Profit & Loss</p> <p>From BOY to End of Period</p> | <p><u>Financial Statement ID</u></p> <p>1. titles</p> <p>2. Account Types/Groups</p> <p>3 Headings and Footings</p> |

P3187—

An Elemental Sequential Outline
Superimposed Accounting System
ControllerShip System

An Elementary Sequential Outline The Controllership System

Page

- 33 Dataisan Entry (Exit) menu
- 34 Quickbooks Possible Entry (Exit)
- 35 Period Selection Entry menu (explained)
- 36 Intervening Edit Report sub system
- 37 Period Selection Entry (Elements)
- 38 Input Adjustment Options menu [Pre filled]
- 39 Best Source / Other
- 40 Accrued Payroll
- 41 Accrued PR Taxes
- 42 Accrued Sales / Excise Taxes
- 43 Report Selection Options menu (Pre filled)
- 44 Template Analyzed Report system
- 45 Analyzed Comparative Balance Sheet / Keying
- 47 Analyzed Profit and Loss / Keying
- 49 Audit trail Report
- 50 14TD Controllership Reports
 - [The Retail / Store]
 - 51 Company Time Balance Sheet Analysis
 - 53/58 Profit + Loss / Cash Analysis
 - 59 Break even Point analysis
- 61 Controllership Reports Period to Period
 - Another Retail Store
 - 62 Comparative Balance Sheet analysis
 - 64 Profit and Loss / Cash analysis
- 67 Closing Operations (SAS)

P330 -

Datascan Entry (Exit) menus 40

Clarks Berry WCC

09:30:48 02 NOV 1999

DATASCAN

DATASCAN SERVICE CLIENT MENU

modules

1. Enter General Ledger Menu
2. Enter Vendor Contracts Payable
3. Enter Vendors and Payables Menu
4. Enter Asset Management Function
5. Enter Customers and Receivables Menu
6. Employee Payroll Menu
7. Enter Customer Contracts Receivable

Datascan operating mo
(some - not all)

Datascan
module access
to SAS system

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General Ledger Functions and Reports

F5=Toggle MAIN/LAST menu Ctl-F5=TCL F9=END menu Retrn=Run menu option

The Retail Company

09:59:36 07 NOV 1999

DATASCAN

DATASCAN GENERAL LEDGER MENU

DATA ENTRY

1. Enter General Ledger Transactions
2. Enter Single Checks
3. Enter BATCH Checks

REPORTS

4. Enter DATASCAN G/L Reports Menu
5. Working Capital/Statiscal Forecasting Menu

Datascan
Menu access to
SAS system

UTILITIES

6. Enter/Edit DEPARTMENT Data
7. Enter/Edit CHECKBOOK Information
8. Enter/Edit DIVISION Definitions
9. Enter/Edit CHART OF ACCOUNTS
10. Enter/Edit Account TYPES
11. Change Balance Report Headings
12. Change Income Report Headings
13. Year End G/L Closing Process
14. DATASCAN Backup Utility
15. Auxilliary Utility Menu

Make a direct General Ledger Transaction Entry

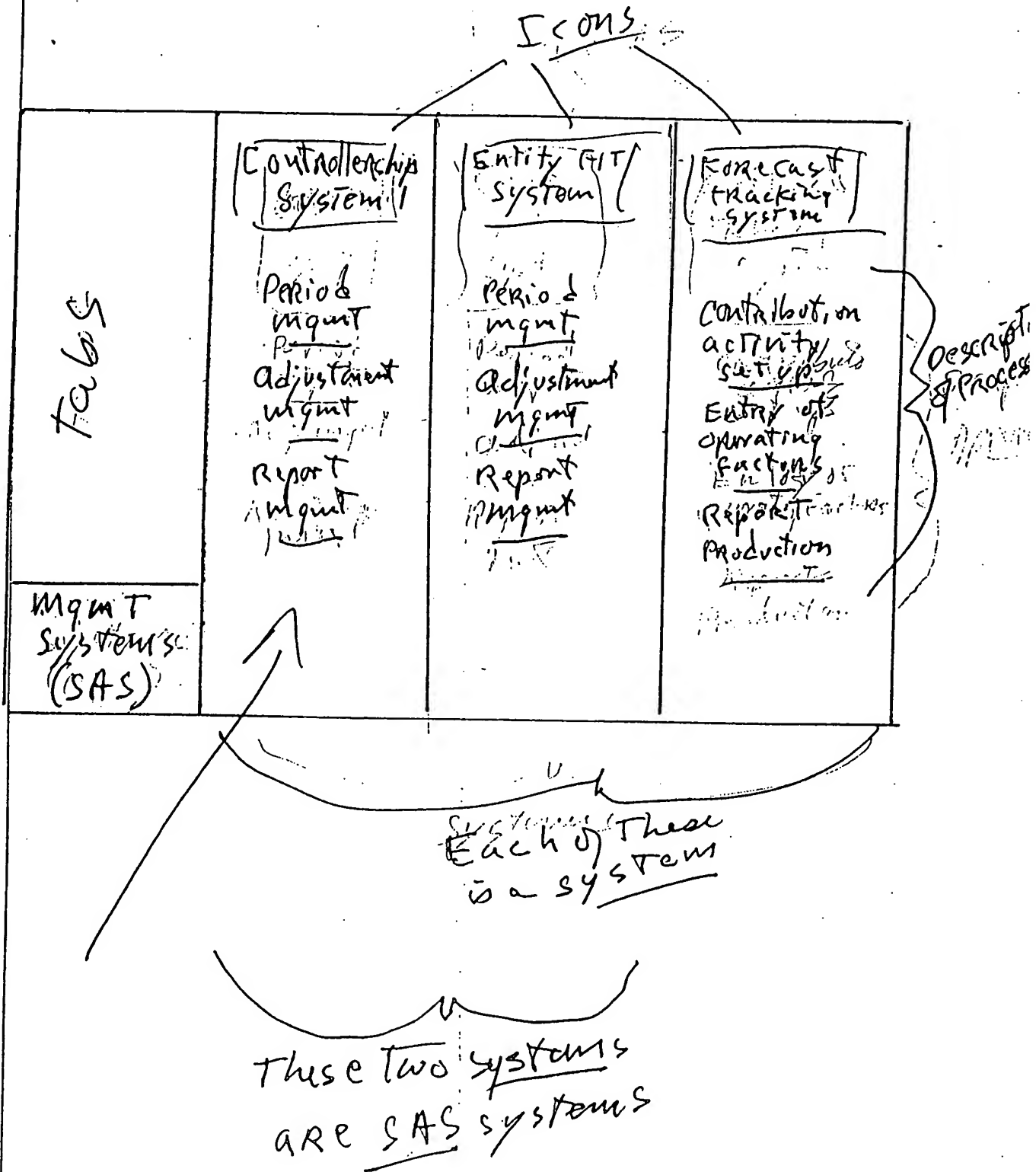
F5=Toggle MAIN/LAST menu Ctl-F5=TCL F9=END menu Retrn=Run menu option

Note: The Datascan choice of menu title and placement under REPORTS is arbitrary but functionally ok.

p34) —

Quickbooks Possible Entry (Exit)

The Quickbooks Navigation
Possible S.A.S system access



Period (Selection) Entry menu (Explained)

42

Superimposed Accounting System Manual

Period (Selection) Entry

Operator
Entries

Operator FIRST Steps

01. SELECT CURRENT PERIOD (C) PRIOR PERIOD (P)
02. SELECT PERIOD THRU 101 TO 121 See below

| |
|--|
| |
| |
| |

Explained in only

- After operator entry, the computer system does as follows:
1. Selects and downloads Beginning of Year (BOY) post closing Balance sheet (BS) & Host data into current intervening Edit Report (IER) sub system that compares new data to any pre-existing old data held in the template Analyzed Report (TAR) sub system for the same period selected. When this IER comparison is proven OK or the TAR match-up process shows a zero condition in selected, when this IER comparison is proven OK or the TAR match-up process shows a zero condition in selected, then the Host data is moved thru into the selected period TAR sub system. If however IER differences are found an IER series of Reports are automatically generated (screen or print out). Then the operator is given the decision to cancel or replace.
 2. Selects and downloads "Select Period Thru" data for BS and YTD Profit and Loss (P+L) to go thru the same edit process before being allowed as an update to the selected period TAR sub system.
- Part of the IER process is to determine that the BS/P+L system itself is in or out of balance, etc.

Explained only

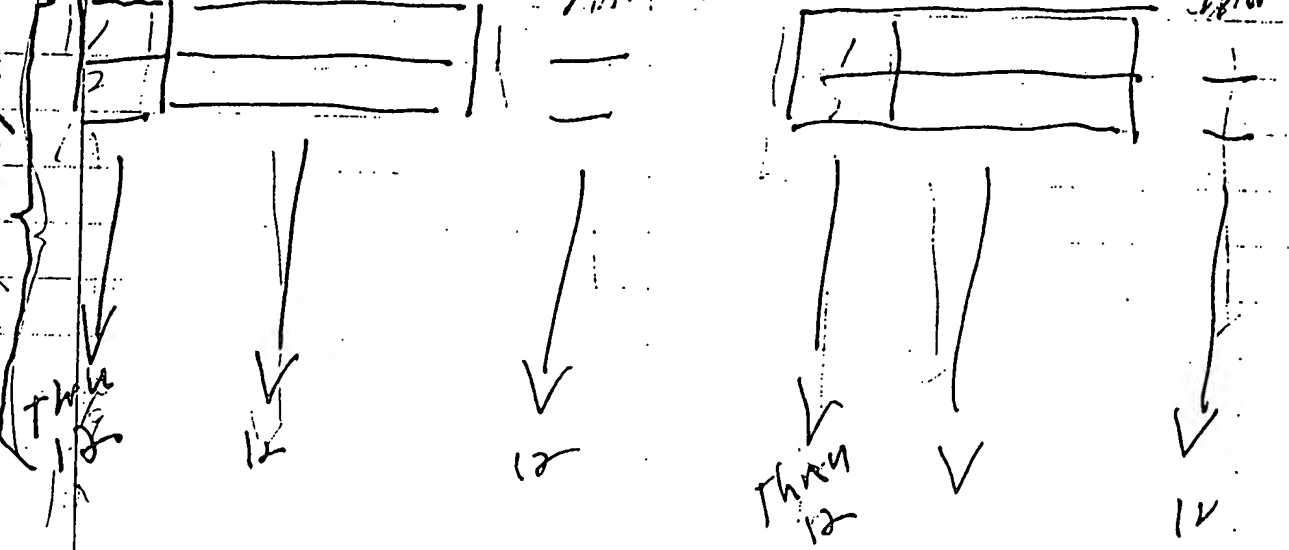
This appears only at the first step is complete

Operator Selection

01. Input adjustment options (access)
02. Report selection options (access)

| PERIOD (SAS) STATUS REPORT | | | | PRIOR YEAR | | | |
|----------------------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
| CURRENT YEAR | | PERIOD | | PERIOD | | PERIOD | |
| THRU DATE | ad status | THRU DATE | ad status | THRU DATE | ad status | THRU DATE | ad status |
| Y/Y | Y/Y | Y/Y | Y/Y | Y/Y | Y/Y | Y/Y | Y/Y |

Physical Ending on Calendar Year



Period Status Report (PSR)

Business Start Up

The first use of The SAS/Host system will establish the CURRENT YEAR listing of periods for the PSR report. Quickbooks and other OTC systems do not have year end closing entry requirements so that the SAS system will work the same for CURRENT/PRIOR year periods listed in the PSR report. See pages 15, 36 and 67) of

The Intervening Edit Report (IER)

Business Name _____

Date of Processing _____

Selected Period _____ Through _____ (YTD)
number Date

| GL Code | Description | Beginning of Year | | | THRU Period Selected | | |
|------------|------------------------------------|-------------------|-----|-----------------|----------------------|-----|-----------------|
| | | Host Data | | | Host Data | | |
| | | old | new | Differences | old | new | Differences |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | Previously stored in TAR subsystem | \$ | \$ | \$ | \$ | \$ | \$ |
| | IER Newly selected from Host | | | (3) - (4) = (5) | | | (6) - (7) = (8) |
| | Previously stored in TAR system | | | | | | |
| | IER Newly selected from Host | | | | | | |

Presented in
Trial Balance
Sequence Form

P37 d) —

Period (Selection) Entry
(Elements)

Superimposed Accounting System Menu

45

Period (Selection) Entry

Operator
Entries

Operator first steps

- 01 Select current period (C) Prior Period (P) ☐
- 02 Select Period thru [01-12, see below] ☐

Operator
Selections

Access to Pre filled Options

- [1] Input Adjustment options
- [2] Report Selection options

this appears
only after
first step
is completed

Period SAS Status Report
CURRENT YEAR PRIOR YEAR

See page 1

2 Input Adjustments options menu

these adjustments can be not allowed if the operator selected PRIOR Period P in the PERIOD (selection) Entry process. This would depend on the Host systems ability to handle this possibility. Datascan handles this possibility by providing for prior year (12/31 same as 1/1 for calendar year) end of year adjustments only, this of course can be an option for other host systems

CURRENT Period Thru

operator selection

1. Best Source/Other
2. Accrued Payroll
3. Accrued PR Taxes
4. Accrued Sales/Excise Taxes

Period Date

} cut off adjustments

Beginning of CURRENT Year

operator selection

1. Best Source/Other
2. Accrued Payroll
3. Accrued PR Taxes
4. Accrued Sales/Excise Taxes

Period Date

} cut off adjustments

1. Audit Trail access selections

1. Current Period Thru

Period Date

2. Beginning of Year (Current)

Period Date

Closing Process could freeze this option

Input Adjustments

Pre fi

Pre filled

Pre filled

Pre filled

P390

Pre-filled (BS)

1. Best Source / Other (Screen)

47

ewitts Mattress Whse Inc)

REVERSIBLE

WORKING CAPITAL ADJUSTING TRANSACTION

(1-1)

1. Reference
2. Trans Date
3. Adjust Month
- MBR Type
5. Department

6. Memo

Entered

Pre filled

m 3 Data same
Pre filled

7. GL Acct Acct Name

Line Note

Amount

Operations
entered

then
acct name
is filled in

Operations
entered
(optional)

Operations
entered

necessary

↓

↓

↓
necessary

Balance

Transaction Ref# ? (Next default sequence number is 71)

Reference

Prefix

(BS)

XXX

Number is sequentially
assigned

These adjustments
are edit made
but never reversed
because of SAS system's
structure and operation

Audit Trail Reports
are data accessed
by Period / Date
and Pre-filled Prefix
adjustment would be
reported and arranged
in detail by GL account

BEST SOURCE Adjustments

When Host system only partially utilized
 [Best source adjustments should be made
 based on EOM analyses as follows:]

These adjustments will vary
 depending on how host system
 entered CASH transactions

Receivables at EOM

Asset - accounts Receivable
 Revenue - Sales
 Expense - Sales Tax

Payables at EOM

Liabilities - Accounts Payable
 C/S -
 Expenses

Payroll at EOM

Expense - Gross Wages
 Expenses - PR Taxes
 accrued Payroll

Accrued Taxes - EOM

Should
 use net
 of entries

accrued PR taxes
 Expense - PR taxes
 accrued sales / Excise taxes
 Expense - Sales / Excise taxes

These adjustments become
 repetitive when practices are not changed

| DR (+) | CR (-) |
|--------|--------|
| xxxv | xxx |
| xxx | xx |
| xx | xxx |
| xxx | xx |
| xx | xxx |
| xx | xx |
| xx | xx |

Other adjustments

These entries
 should be
 made in
 host system
 as is the
 case with
 Best source
 adjustments

- o Correction of host system Fixed asset accounting
- o Correction of host system TERM contracts accounting (Assets/Liabilities)
- o Other host system corrections

However, with many small business applications the host system operations should be left simple and technically not correct but to be corrected through the SAS system by service center accountant

P39B

P4001 -

2 accrued Payroll (PR)

49

(The Retail Company)

(I-1)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION

1. Reference
2. Trans Date
3. Adjust Month
- MPB Type
5. Department

| |
|--|
| |
| |
| |

6. Memo

Pre filled

m
0

3 Data sum
pre-filled

7. GL Acct Acct Name

Line Note

Amount

same as Best source

these adjustments
are editables but
never reversed
because of SAS
system structure
and program

Balance

Transaction Ref# ? (Next default sequence number is 12)

Memo ENTRY screen for calculation purposes

| Next PR after EOM | GL codes | total GROSS | calculat Daily unit cost by using work days (÷) [into GROSS] | Daily unit cost | Data as a make to calcula for ever pay per |
|----------------------|-------------|----------------|---|-----------------------|--|
| | | | | | |
| | | | | | |
| | | | | | |

Proof of what accrued PR Balance sheet total should be

1. Unpaid EOM total of Net Payroll

2. add SAS accrued PR Adjustment (above)

(1) + (2) Proof total

[Compare to SAS Balance sheet Amount]

avail
from
system

Notes: the exact GL entry will only be determined
for each particular system as managed by an accountant

P41 d - 3 accrued PR-taxes

(The Retail Company)

(I-1)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION

1. Reference
2. Trans Date
3. Adjust Month
- MPB Type
5. Department
6. Memo

PRE GIV APT. sequentially numbered
Pre filled
Data scan pre filled

7. GL Acct Acct Name Line Note Amount

same as Best source

These adjustments are editable but never reversed because of SAS systems structure and operations

Balance

Transaction Ref# ? (Next default sequence number is 12)

MEMO ENTRY SCREEN FOR calculation purposes

Note: accrued PR taxes are automatically determined and then (GL) posted to correct accounts as each payroll is processed through a CAS system (host)

next PR after EOM total Gross PR taxes estimate Employer cost accrued PR adjustment
\$ _____ % (A) times (B) = \$ _____ (C)

Add PR taxes reported but not paid by EOM
Form 941/943 Deposit

SUTA
FUTA
Labor + Industries
Other

Proot total (1)+(2) _____ (2)

Note: The exact GL entry will only be determined for each particular system as managed by our accountant

P427-

Accrued Sales/Excise taxes

51

(The Retail Company)

(I-1)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION

1. Reference
2. Trans Date
3. Adjust Month
- MPB Type
5. Department

6. Memo

Pre filled

m } Data scan
o } Pre filled

7. GL Acct Acct Name

Line Note

Amount

Same as Best Source

These adjustments
are editable but
never reversed
because of SAS
system's structure
and operations

Balance

Transaction Ref# ? (Next default sequence number is 12)

MEMO ENTRY SCREEN FOR CALCULATION PURPOSES

Note: Accrued Sales/Excise taxes are automatically determined and then (GL) posted to correct accounts as each sales invoice is entered through a host CAS system however adjustments are almost always necessary to report accurate BS/P+L data

Sales/Excise taxes calculated (reported) to be paid at EOM but not paid:

State Dept of Revenue
City taxes
Other

Proof total

Note: the exact GL entry will only be determined for each particular system as managed by an accountant

12 Report Selection Options (Prefilled)

Selected Period through
number Date

- YTD Template Analyzed Report (TAR) System
1. Analyzed Comparative Balance Sheets (CR)
 2. Analyzed Profit + Loss (P+L)
 3. TAR Report Series (BS/P+L) YTD

- YTD Controllership Reports YTD
1. Comparative Balance Sheet Analysis
 2. Profit and Loss / Cash Flow Analysis
 3. Controllership Report Series (BS/P+L / Cash flow)

all these reports will be for period already set for BS and P+L

Controllership Reports Period to Period

Operator Selection Process

selections { From Period To Period

enter operator ENTRY

enter period Date

Then SAS system generates reports as follows;

Report formats

Balance Sheet

GL Code
KOD

Description

Beginning Period

Ending Period

Differences
WKS capital CHG in Fin pos

Some calculation as YTD

NOT BOY

Profit + LOSS

GL Code
KOD

Description

Beginning period to YTD
\$
from TAR

Ending interim period
\$
calculated

Ending period to YTD
\$
from TAR

Explanation

p 4407

YTD The template Analyzed Report System
Analyzed Comparative Balance Sheets
Analyzed Profit and Loss

{ Formats and
Content outline
with computed
columns and
Keyed entry
explanation }

5

The template Analyzed Report (BAR) System
 Analyzed Comparative Balance Sheets (BS)
 Selected Period Through
 (YTD)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|----------|----------------|-------------|-------------|-------------------|------------|---------------|---------------|-----------|------------|
| GL codes | GL Description | BOY Host BS | BOY SAS Adj | at BOY SAS Adj BS | at Host BS | at SAS Adj BS | at SAS Adj BS | BS change | Enter keys |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| XXXX | ASSETS | | | | | | | | |
| | LIABILITIES | | | | | | | | |
| | EQUITY | | | | | | | | |

Beginning of year (BOY) host system post closing Balance Sheet amounts

Shows Beginning of year (BOY) SAS system adjustments - post closing

Calculated totals
 $(3) + (4) = (5)$

Selected period Balance Sheet host data as Balanced by determination of YTD Profit/Loss

Shows selected period SAS (BS) system adjustments with balanced out by YTD Profit/Loss (see column 6)

Calculated totals
 $(6) + (7) = (8)$

Calculated totals
 $(8) - (5) = (9)$

Key GL accounts thru use of letters

Beginning of year (BOY)
 host system post closing BS
 Balance Sheet amounts

Report Adjusted Y/N

Operator Decision

TAR Treatment of Beginning of year (BOY) Host Data

The BOY host data placed (found) in every selected period YTD Template Analyzed Report (TAR) comes from the same source (computer file). The CAS operator can select 12 ~~per~~ current periods for processing and all 12 of the TAR report displays will show the same BOY host data.

Also every SAS selected period will provide the operator an opportunity to make SAS (BOY) adjustments and these BOY adjustments are the same (number, date, pre-fix) as set out for the operator in every selected period "Input Adjustments options menu (page 38)".

Note: All this is very important in accomodating and simplifying the operators review and work regarding the SAS system

TAR Reports Computer Screening / Printouts

56

The Ten column TAR Analyzed Comparative Balance Sheets Report will not print out on an 8 1/2 by 11 sheet of paper, Therefore This report can be printed out on two lettersize sheets of paper as follows:

Analyzed Comparative BS
Beginning of Year (1/1/xx) ← calendar yr
DATE

← Columns (1) Thru (5) →

PART A

should always
be printed out
at same time

Analyzed Comparative BS
Selected Period Ended 1 [] []
↑ ↑
period date

1 Column
(1) and (2) ← Columns (6) Thru (10) →

PART B

If any difficulty arises in "fitting" either
The ^{TAR} Analyzed Comparative Balances OR
The TAR Analyzed Profit and Loss Report
onto lettersize paper The following can be
done:

analyzed Comparative BS - Part B; Drop column (9)
analyzed Profit and Loss; Drop column (3)

45 C 47 B // 82 C 83 B

"Keying" GL accounts Balance Sheet

57

This is a very visible way for the operator to be involved in the determination of:

Cash: All cash accounts should be keyed (c) and some accountants will key "some as cash" accounts such as savings, short term investments also as being "cash".

Working Capital accounts: Most accounting systems already identify these accounts but the "keying" of (other than cash (c)) working capital accounts (w) is a careful positive procedure.

This is a benefit to programmers in programming The Comparative Balance Sheet

| Comparative Balance sheet | Amount Columns | | | |
|------------------------------|----------------|--------------------|--|---|
| | 1st BOY | 2nd Thru Period | 3rd changes in wk9 capital accounts {Keyed (c)(w)} | 4th changes in financial position (all other BS accts) |

② programming
The cash flow
Report

Also The Cash Flow Report

Please sign below after
... done

P4707 - Tax template Analyzed Report (TAR system)

analyzed Profit and Loss
 (Business name) Selected Period _____ Through _____
 number _____ date _____

| ① GL codes | ② Descriptions | ③ Host P/L Tot | ④ Host P/L Tot | ⑤ SAS adjust at | ⑥ SAS P/L Tot | ⑦ Enter variable costs/exp - key |
|------------------|-------------------------------------|-------------------------|-------------------------|--------------------------|------------------------|--|
| XXXX | Income | | | | | |
| | c/s | | | | | |
| | Expenses | | | | | |
| | Net operating P/L extra line/exp | | | | | |
| | Net Income | | | | | |

Host data should
always be zero

selected period host P/L
data for YTD

shows selected period SAS
system P/L adjustments

calculated totals
 $(3) + (4) + (5) = (6)$

Can key all variable accts (off)
 so that P/L can put them
 before determination of

Keys to Data (YTD) host
 Profit and Loss (P/L) data is
 down loaded into TAR
 system report (columns
 1 to 7) each time
 operator completes
 the SAS CONTRASTING
 menu. First operator
 procedure

After These Proof/Key steps The
 "Final Report Series" of Reports can be
 Run as newly structured by "Keys"

TAR Reports Computer Screening / Printouts

59

The Ten column TAR Analyzed Comparative Balance Sheets Report will not print out on an 8 1/2 x 11 sheet of paper, Therefore This report can be printed out on two lettersize sheets of paper as follows:

Analyzed Comparative BS
Beginning of Year (1/1/xx) ← calendar yr
DATE

← Columns (1) Thru (5) →

PART A

should always
be printed out
at same time

Analyzed Comparative BS
Selected Period Ended []
↑ period ↑ date

1 Columns (1) and (2) & Columns (6) Thru (10) →

PART B

If any difficulty arises in "fitting" either the ^{TAR} Analyzed Comparative Balances OR the TAR Analyzed Profit and Loss Report onto letter size paper the following can be done:

analyzed Comparative BS - Part B: Drop column (9)
analyzed Profit and Loss: Drop column (3)

45 C

47 B

82 C

83 B

"Keying" G/L accounts Profit + Loss

60

This is a very visible way for the operator to be involved in determining variable costs and expenses (V) ← key

Why?

The final Profit and Loss/Cash Flow Report will show all variable costs/expenses as under Revenues/Sales to allow their deduction in determining Gross (contribution) Profit. This organization of variable items is more compatible with a financial modelling approach to the determination of forecasts/tracking reports, IMPORTANT

Also this enables programming of the final report in the above way.

Please sign below after
reading and understand
this page

title

Datascan
President

11/10/11
Date

2 Report Selection Options (Prefilled)

Selected PERIOD number through Date

Audit Trail Report Options *presf*

Operator Selection Options

1. Beginning of current year

2. Beginning of prior year paid
filled

- 3 Selected Current period

Period Date

Note: the audit trail report format is normal as to format

| GL code | Description | Amount DR (+) CR (-) |
|------------|-------------|----------------------------|
| xxxx | | |

But it is unusual as to content. The content of this report is the detail of every SAs prefixed entry in number sequence but only for the selected period date (EOM). The total of which will always be zero (balanced) and each GL account total will correspond with the TAR report column to which it is related.

Period (SAS) Status Report

CURRENT YEAR

PRIOR YEAR

See page

Page

YTD Controllership Reports

The Retail / Store

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Comparative Balance Sheets

Profit and Loss / Cash Flow Analysis

53 Before Keying Variable Exp

56 After Keying Variable Exp

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Break even point analysis

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P517-

The Retail Company.
Comparative Balance Sheets
Division CONTROLLERSHIP REPORTS

Page 1

07 NOV 1999

Beginning Year January 1, 1997 To December, 1997

Chg in
Financial
Position
Source/Use

Acct# Account..... Jan, 1997 Dec, 1997 Chg in Working Cap.

ASSETS

Current Assets

| | | | |
|-------------------|------------|------------|------------|
| 1005 Cash in Bank | 15,500.00 | 3,500.00 | -12,000.00 |
| 1200 Receivables | 9,800.00 | 15,500.00 | 5,700.00 |
| 1300 Inventory | 330,000.00 | 380,800.00 | 50,800.00 |

TOTAL Current Assets

| | | |
|--------------|--------------|-----------|
| \$355,300.00 | \$399,800.00 | 44,500.00 |
|--------------|--------------|-----------|

Fixed Assets

| | | | |
|-------------------------------|-----------|-----------|-----|
| 2130 Vehicles | 31,000.00 | 31,000.00 | .00 |
| 2140 Office Furniture & Equip | 5,000.00 | 5,000.00 | .00 |
| 2150 Computers & Accessories | 8,000.00 | 8,000.00 | .00 |

TOTAL Fixed Assets

| | | |
|-------------|-------------|-----|
| \$44,000.00 | \$44,000.00 | .00 |
|-------------|-------------|-----|

Other Assets

| | | | |
|---------------|-----------|-----------|-----|
| 3200 Goodwill | 10,000.00 | 10,000.00 | .00 |
|---------------|-----------|-----------|-----|

TOTAL Other Assets

| | | |
|-------------|-------------|-----|
| \$10,000.00 | \$10,000.00 | .00 |
|-------------|-------------|-----|

TOTAL ASSETS

| | | |
|--------------|--------------|-----------|
| \$409,300.00 | \$453,800.00 | 44,500.00 |
|--------------|--------------|-----------|

LIABILITIES

Current Liabilities

| | | | |
|----------------------------|------------|-----------|------------|
| 4100 Accounts Payable | 120,500.00 | 80,000.00 | -40,500.00 |
| 4230 Accrued Payroll Taxes | 11,000.00 | 10,000.00 | -1,000.00 |
| 4250 Accrued Sales Taxes | 7,000.00 | 6,000.00 | -1,000.00 |
| 4300 Notes Payable | 45,000.00 | 40,000.00 | -5,000.00 |

TOTAL Current Liabilities

| | | |
|--------------|--------------|------------|
| \$183,500.00 | \$136,000.00 | -47,500.00 |
|--------------|--------------|------------|

Term Liabilities

| | | | |
|--------------------|-----------|-----------|-----------|
| 4400 Notes Payable | 20,000.00 | 16,200.00 | -3,800.00 |
|--------------------|-----------|-----------|-----------|

TOTAL Term Liabilities

| | | |
|-------------|-------------|-----------|
| \$20,000.00 | \$16,200.00 | -3,800.00 |
|-------------|-------------|-----------|

TOTAL LIABILITIES

| | | |
|--------------|--------------|------------|
| \$203,500.00 | \$152,200.00 | -47,500.00 |
|--------------|--------------|------------|

OWNERS EQUITY

Owners Equity

| | | | |
|------------------------|-------------|-------------|-----------|
| 5500 Capital Stock | 20,000.00 | 20,000.00 | .00 |
| 5600 Retained Earnings | 237,800.00 | 237,800.00 | .00 |
| 5800 Dividends Paid | <52,000.00> | <10,000.00> | 42,000.00 |

TOTAL Owners Equity

| | | |
|--------------|--------------|-----------|
| \$205,800.00 | \$247,800.00 | 42,000.00 |
|--------------|--------------|-----------|

PERIOD EARNINGS

TOTAL OWNERS EQUITY

| | | |
|--------------|--------------|-----------|
| \$205,800.00 | \$301,600.00 | 53,800.00 |
|--------------|--------------|-----------|

LIABILITIES & EQUITY

| | | |
|--------------|--------------|-----------|
| \$409,300.00 | \$453,800.00 | 95,800.00 |
|--------------|--------------|-----------|

-47,500.00

92,000.00

} Revolving Assets

} Investment Assets

} Renewable Liabilities
Bank Credit

Term Contract Payable

} Equity Analysis

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The Retail Company.
Comparative Balance Sheets
Division CONTROLLERSHIP REPORTS

07 NOV 1999 Beginning Year January 1, 1997 To December, 1997

| Acct# Account..... | Jan, 1997 | Dec, 1997 | Working Cap. | Source/Use |
|----------------------------|-----------|-----------|--------------|------------|
| CHANGES IN WORKING CAPITAL | | | 92,000.00 | 92,000.00 |
| | | | ===== | ===== |

Netcha

CURRENT SUMMARIES

| | | |
|---------------------------|------------|------------|
| Total Current Assets | 355,300.00 | 399,800.00 |
| Total Current Liabilities | 193,500.00 | 136,000.00 |
| | ----- | ----- |
| Net Working Capital | 171,800.00 | 263,800.00 |
| Current Ratio | 1.9362 | 2.9397 |



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P53d -

The Retail Company.
Statement of Profit/Loss from Sources/Applications
Division CONTROLLERSHIP REPORTS
For Months of January, 1997 to December, 1997

Page 1

07 NOV 1999

| | Period | %age |
|-----------------------------------|----------------|----------|
| OPERATING REVENUES | | |
| Revenue_ | | |
| 6110 Retail Taxable Sales | 1,800,000.00 | * 100.00 |
| TOTAL Revenue_ | \$1,800,000.00 | * 100.00 |
| Direct Costs | | |
| 7000 Merchandise Cost | 1,048,560.00 | * 58.25 |
| TOTAL Direct Costs | \$1,048,560.00 | * 58.25 |
| NET REVENUES | \$751,440.00 | * 41.75 |
| OPERATING EXPENSES | | |
| Salary/Wages/taxes/benefits | | |
| 8100 Salaries & Wages | 220,000.00 | * 12.22 |
| 8110 Sales Commission | 18,000.00 | * 1.00 |
| 8180 Corporate Officer Salary | 30,000.00 | * 1.67 |
| 8210 Payroll Taxes | 35,700.00 | * 1.98 |
| 8310 Group Health Insur | 2,500.00 | * .14 |
| 8320 Group Life Insurance | 1,300.00 | * .07 |
| 8340 Pensions/Retirement | 2,000.00 | * .11 |
| TOTAL Salary/Wages/taxes/benefits | \$309,500.00 | * 17.19 |
| Other Taxes | | |
| 8220 Sales/B&O Taxes | 11,340.00 | * .63 |
| TOTAL Other Taxes | \$11,340.00 | * .63 |
| Other Operating Expense | | |
| 8401 Rent - Real Estate | 105,000.00 | * 5.83 |
| 8412 Telephone/Telepage | 10,000.00 | * .56 |
| 8420 Utilities | 7,000.00 | * .39 |
| 8520 Professional Service | 7,000.00 | * .39 |
| 8600 Auto/Truck | 35,000.00 | * 1.94 |
| 8911 Advertising | 190,000.00 | * 10.56 |
| 8931 Donations | 500.00 | * .03 |
| 8934 Interest/Bank Chrg | 2,200.00 | * .12 |
| 8936 Office Supplies | 3,600.00 | * .20 |
| 8941 Liability Insurance | 6,000.00 | * .33 |
| 8999 Miscellaneous | 10,000.00 | * .56 |
| TOTAL Other Operating Expense | \$376,300.00 | * 20.91 |
| Total Expenses | \$697,140.00 | * 38.73 |
| OPERATING INCOME | \$54,300.00 | * 3.02 |
| OTHER INCOME/EXPENSE | | |
| Other Expenses | | |

variable

variable

variable
Expenses(Before k
Keying)

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P5407 —

The Retail Company.
Statement of Profit/Loss from Sources/Applications
Division CONTROLLERSHIP REPORTS
07 NOV 1999 For Months of January, 1997 to December, 1997 Page 2

| | Period | %age |
|----------------------------|---------------|------|
| 8995 Bad Debts | 500.00 * | .03 |
| TOTAL Other Expenses | \$500.00 * | .03 |
| TOTAL OTHER INCOME/EXPENSE | <\$500.00> * | -.03 |
| NET INCOME | \$53,800.00 * | 2.99 |

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P550 -

The Retail Company.
 Statement of Profit/Loss from Sources/Applications
 Division CONTROLLERSHIP REPORTS
 For Months of January, 1997 to December, 1997

Page 3

07 NOV 1999

| | Period | %age |
|-------------------------------|-----------------|-------|
| NET INCOME | \$53,800.00 | |
| SOURCES/USES | | |
| Non Taxable | | |
| ----- | | |
| 1200 Receivables | 5,700.00 * | .32 |
| 1300 Inventory | 50,800.00 * | 2.82 |
| 4100 Accounts Payable | 40,500.00 * | 2.25 |
| 4230 Accrued Payroll Taxes | 1,000.00 * | .06 |
| 4250 Accrued Sales Taxes | 1,000.00 * | .06 |
| 4300 Notes Payable-Short Term | 5,000.00 * | .28 |
| 4400 Notes Payable-Long Term | 3,800.00 * | .21 |
| 5800 Dividends Paid | <42,000.00> * | -2.33 |
| TOTAL Non Taxable | \$65,800.00 * | 3.66 |
| ===== | | |
| NET CHNG SOURCES/USES | <\$12,000.00> * | -.67 |

*Cash Flow
analysis*

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P560 —

The Retail Company
Statement of Profit/Loss from Sources/Applications
Division CONTROLLERSHIP REPORTS
07 NOV 1999 For Months of January, 1997 to December, 1997

Page 1

| | Period | %age |
|-----------------------------------|-----------------------------|----------------------|
| OPERATING REVENUES | | |
| Revenue_ | | |
| 6110 Retail Taxable Sales | 1,800,000.00 | * 100.00 |
| TOTAL Revenue_ | \$1,800,000.00 | * 100.00 |
| Direct Costs | | |
| 7000 Merchandise Cost | 1,048,560.00 | * 58.25 |
| 8110 Sales Commission | 18,000.00 | * 1.00 |
| 8220 Sales/B&O Taxes | 11,340.00 | * .63 |
| TOTAL Direct Costs | \$1,077,900.00 | * 59.88 |
| NET REVENUES | Gross (contribution) Profit | \$722,100.00 * 40.12 |
| OPERATING EXPENSES | | |
| Salary/Wages/taxes/benefits | | |
| 8100 Salaries & Wages | 220,000.00 | * 12.22 |
| 8180 Corporate Officer Salary | 30,000.00 | * 1.67 |
| 8210 Payroll Taxes | 35,700.00 | * 1.98 |
| 8310 Group Health Insur | 2,500.00 | * .14 |
| 8320 Group Life Insurance | 1,300.00 | * .07 |
| 8340 Pensions/Retirement | 2,000.00 | * .11 |
| TOTAL Salary/Wages/taxes/benefits | \$291,500.00 | * 16.19 |
| Other Operating Expense | | |
| 8401 Rent - Real Estate | 105,000.00 | * 5.83 |
| 8412 Telephone/Telepage | 10,000.00 | * .56 |
| 8420 Utilities | 7,000.00 | * .39 |
| 8520 Professional Service | 7,000.00 | * .39 |
| 8600 Auto/Truck | 35,000.00 | * 1.94 |
| 8911 Advertising | 190,000.00 | * 10.56 |
| 8931 Donations | 500.00 | * .03 |
| 8934 Interest/Bank Chrg | 2,200.00 | * .12 |
| 8936 Office Supplies | 3,600.00 | * .20 |
| 8941 Liability Insurance | 6,000.00 | * .33 |
| 8999 Miscellaneous | 10,000.00 | * .56 |
| TOTAL Other Operating Expense | \$376,300.00 | * 20.91 |
| Total Expenses | \$667,800.00 | * 37.10 |
| OPERATING INCOME | \$54,300.00 | * 3.02 |
| OTHER INCOME/EXPENSE | | |
| Other Expenses | | |
| 8995 Bad Debts | 500.00 | * .03 |
| TOTAL Other Expenses | \$500.00 | * .03 |

Keying
after ke
of variable
expenses

overhead
Fixed and semi
fixed period
expenses

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P57 d —

The Retail Company.
Statement of Profit/Loss from Sources/Applications
Division CONTROLLERSHIP REPORTS
07 NOV 1999 For Months of January, 1997 to December, 1997

Page 2

| | Period | %age |
|----------------------------|---------------|------|
| TOTAL OTHER INCOME/EXPENSE | <\$500.00> * | -.03 |
| NET INCOME | \$53,800.00 * | 2.99 |

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The Retail Company
Statement of Profit/Loss from Sources/Applications
Division CONTROLLERSHIP REPORTS
For Months of January, 1997 to December, 1997

Page 3

07 NOV 1999

| | Period | %age |
|-------------------------------|-----------------|-------|
| NET INCOME | \$53,800.00 | |
| SOURCES/USES | | |
| Non Taxable | | |
| ----- | | |
| 1200 Receivables | 5,700.00 * | .32 |
| 1300 Inventory | 50,800.00 * | 2.82 |
| 4100 Accounts Payable | 40,500.00 * | 2.25 |
| 4230 Accrued Payroll Taxes | 1,000.00 * | .06 |
| 4250 Accrued Sales Taxes | 1,000.00 * | .06 |
| 4300 Notes Payable-Short Term | 5,000.00 * | .28 |
| 4400 Notes Payable-Long Term | 3,800.00 * | .21 |
| 5800 Dividends Paid | <42,000.00> * | -2.33 |
| TOTAL Non Taxable | \$65,800.00 * | 3.66 |
| ===== | | |
| NET CHNG SOURCES/USES | <\$12,000.00> * | -.67 |

cash flow
analysis

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07 NOV 1999

The Retail Company.
Income Statement
Division CONTROLLERSHIP REPORTS
For Month of December, 1997

Page 1

| | Month | %age | Year-TD | %age |
|-----------------------------------|----------------|----------|----------------|----------|
| REVENUES | | | | |
| Revenue | | | | |
| 6110 Retail Taxable Sales | 1,800,000.00 | * 100.00 | 1,800,000.00 | * 100.00 |
| TOTAL Revenue | \$1,800,000.00 | * 100.00 | \$1,800,000.00 | * 100.00 |
| Direct Costs | | | | |
| 7000 Merchandise Cost | 1,048,560.00 | * 58.25 | 1,048,560.00 | * 58.25 |
| 8110 Sales Commission | 18,000.00 | * 1.00 | 18,000.00 | * 1.00 |
| 8220 Sales/B&O Taxes | 11,340.00 | * .63 | 11,340.00 | * .63 |
| TOTAL Direct Costs | \$1,077,900.00 | * 59.88 | \$1,077,900.00 | * 59.88 |
| NET REVENUES | \$722,100.00 | * 40.12 | \$722,100.00 | * 40.12 |
| EXPENSES | | | | |
| Salary/Wages/taxes/benefit | | | | |
| 8100 Salaries & Wages | 220,000.00 | * 12.22 | 220,000.00 | * 12.22 |
| 8180 Corporate Officer Salary | 30,000.00 | * 1.67 | 30,000.00 | * 1.67 |
| 8210 Payroll Taxes | 35,700.00 | * 1.98 | 35,700.00 | * 1.98 |
| 8310 Group Health Insur | 2,500.00 | * .14 | 2,500.00 | * .14 |
| 8320 Group Life Insurance | 1,300.00 | * .07 | 1,300.00 | * .07 |
| 8340 Pensions/Retirement | 2,000.00 | * .11 | 2,000.00 | * .11 |
| TOTAL Salary/Wages/taxes/ | \$291,500.00 | * 16.19 | \$291,500.00 | * 16.19 |
| Other Operating Expense | | | | |
| 8401 Rent - Real Estate | 105,000.00 | * 5.83 | 105,000.00 | * 5.83 |
| 8412 Telephone/Telepage | 10,000.00 | * .56 | 10,000.00 | * .56 |
| 8420 Utilities | 7,000.00 | * .39 | 7,000.00 | * .39 |
| 8520 Professional Service | 7,000.00 | * .39 | 7,000.00 | * .39 |
| 8600 Auto/Truck | 35,000.00 | * 1.94 | 35,000.00 | * 1.94 |
| 8911 Advertising | 190,000.00 | * 10.56 | 190,000.00 | * 10.56 |
| 8931 Donations | 500.00 | * .03 | 500.00 | * .03 |
| 8934 Interest/Bank Chrg | 2,200.00 | * .12 | 2,200.00 | * .12 |
| 8936 Office Supplies | 3,600.00 | * .20 | 3,600.00 | * .20 |
| 8941 Liability Insurance | 6,000.00 | * .33 | 6,000.00 | * .33 |
| 8999 Miscellaneous | 10,000.00 | * .56 | 10,000.00 | * .56 |
| TOTAL Other Operating Exp | \$376,300.00 | * 20.91 | \$376,300.00 | * 20.91 |
| Total Expenses | \$667,800.00 | * 37.10 | \$667,800.00 | * 37.10 |
| OPERATING INCOME | \$54,300.00 | * 3.02 | \$54,300.00 | * 3.02 |
| OTHER INCOME & EXPENSE | | | | |
| Other Expenses | | | | |
| 8995 Bad Debts | 500.00 | * .03 | 500.00 | * .03 |
| TOTAL Other Expenses | \$500.00 | * .03 | \$500.00 | * .03 |

After Keying
of variable
Expenses

over head

p600-

07 NOV 1999

The Retail Company.
Income Statement
Division CONTROLLERSHIP REPORTS
For Month of December, 1997

Page 2

| | Month | %age | Year-TD | %age |
|------------------------------|----------------|------|---------------|------|
| TOTAL OTHER INCOME & EXPENSE | <\$500.00> * | -.03 | <\$500.00> * | -.03 |
| NET INCOME | \$53,800.00 * | 2.99 | \$53,800.00 * | 2.99 |
| BREAK-EVEN SALES | 1,664,644.79 * | | 1,664,644.79 | |

annual

$$667808 \div 40.12\% = \uparrow$$

Monthly Break even
Break

$$1664645 \div 12 = \underline{\underline{138,720}}$$

P61d) —

Controlship Report Period to Period
Another Retail Store

62 Comparative Balance Sheet Analysis

64 Profit & Loss / Cash Flow Analysis

P6207-

[REDACTED] Inc
Comparative Balance Sheets
Division CONTROLLERSHIP REPORTS
Beginning July 1, 1999 To August, 1999

Page 1

07 NOV 1999

| Acct# Account..... | Jul, 1999 | Aug, 1999 | Working Cap. | Source/Use |
|-----------------------------------|---------------------|---------------------|-------------------|-------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| 1005 Cash in Bank | <6,434.00> | 18,293.00 | 24,727.00 | |
| 1200 Receivables | .00 | .00 | .00 | |
| 1300 Inventory | 473,967.00 | 473,953.00 | -14.00 | |
| TOTAL Current Assets | \$467,533.00 | \$492,246.00 | 24,713.00 | |
| Fixed Assets | | | | |
| 2110 Leasehold Improvements | 62,761.00 | 62,761.00 | | .00 |
| 2120 Equipment | 18,570.00 | 18,570.00 | | .00 |
| 2130 Vehicles | 67,407.00 | 67,407.00 | | .00 |
| 2140 Office Furniture & Equip | 11,560.00 | 11,560.00 | | .00 |
| 2150 Computers & Accessories | 7,687.00 | 7,687.00 | | .00 |
| 2899 Accumulated Depreciation | .00 | .00 | | .00 |
| 3100 Leasehold Improvements | .00 | .00 | | .00 |
| TOTAL Fixed Assets | \$167,985.00 | \$167,985.00 | | .00 |
| TOTAL ASSETS | \$635,518.00 | \$660,231.00 | 24,713.00 | .00 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| 4100 Accounts Payable | 202,683.00 | 206,667.00 | 3,984.00 | |
| 4220 Accrued Payroll | 13,581.00 | 13,876.00 | 295.00 | |
| 4230 Accrued Payroll Taxes | 12,187.00 | 12,187.00 | .00 | |
| 4250 Accrued Sales Taxes | 15,512.00 | 16,472.00 | 960.00 | |
| 4300 Notes Payable-Short Term | 27,737.00 | 64,000.00 | 36,263.00 | |
| 4310 Contract Payable Forklift | .00 | .00 | .00 | |
| 4500 Customer Deposits | 9,392.00 | 8,391.00 | -1,001.00 | |
| TOTAL Current Liabilities | \$281,092.00 | \$321,593.00 | 40,501.00 | |
| TOTAL LIABILITIES | \$281,092.00 | \$321,593.00 | 40,501.00 | |
| OWNERS EQUITY | | | | |
| Owners Equity | | | | |
| 5000 Owner Loans/Draws | 98,361.00 | 98,361.00 | | .00 |
| 5500 Capital Stock | 20,000.00 | 20,000.00 | | .00 |
| 5600 Retained Earnings | 356,820.00 | 356,820.00 | | .00 |
| 5800 Dividends Paid | <146,095.00> | <152,095.00> | -6,000.00 | |
| TOTAL Owners Equity | \$329,086.00 | \$323,086.00 | -6,000.00 | |
| Y-T-D EARNINGS | \$25,340.00 | \$15,552.00 | -9,788.00 | |
| TOTAL OWNERS EQUITY | \$354,426.00 | \$338,638.00 | -15,788.00 | |
| LIABILITIES & EQUITY | \$635,518.00 | \$660,231.00 | 40,501.00 | -15,788.00 |
| CHANGES IN WORKING CAPITAL | | | | |
| | | | -15,788.00 | -15,788.00 |

P6307 -

[REDACTED] Inc
Comparative Balance Sheets
Division CONTROLLERSHIP REPORTS
Beginning July 1, 1999 To August, 1999

Page 2

07 NOV 1999

| | | | | |
|--------------------|-----------|-----------|--------------|------------|
| Acct# Account..... | Jul, 1999 | Aug, 1999 | Working Cap. | Source/Use |
|--------------------|-----------|-----------|--------------|------------|

CURRENT SUMMARIES

| | | | |
|---|------------|------------|--|
| Total Current Assets | 467,533.00 | 492,246.00 | |
| Total Current Liabilities | 281,092.00 | 321,593.00 | |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Net Working Capital | 186,441.00 | 170,653.00 | |
| Current Ratio | 1.6633 | 1.5306 | |

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P640-

██████████ Inc
 Statement of Profit/Loss from Sources/Applications
 Division CONTROLLERSHIP REPORTS
 For Months of July, 1999 to August, 1999

Page 1

07 NOV 1999

| | Period | %age |
|-------------------------------|--------------|----------|
| OPERATING REVENUES | | |
| Revenue_ | | |
| ----- | | |
| 6100 Sales | 368,183.00 | * 100.00 |
| | ----- | |
| TOTAL Revenue_ | \$368,183.00 | * 100.00 |
| Direct Costs | | |
| ----- | | |
| 7000 Merchandise Cost | 227,786.00 | * 61.87 |
| | ----- | |
| TOTAL Direct Costs | \$227,786.00 | * 61.87 |
| Direct C/S Other | | |
| ----- | | |
| 6130 Finance/Credit Card Disc | 8,602.00 | * 2.34 |
| | ----- | |
| TOTAL Direct C/S Other | \$8,602.00 | * 2.34 |
| ----- | | |
| TOTAL Direct Costs | \$236,388.00 | * 64.20 |
| ----- | | |
| NET REVENUES | \$131,795.00 | * 35.80 |
| ===== | | |
| OPERATING EXPENSES | | |
| Salary/Wages/Benefits | | |
| ----- | | |
| 7220 C/S Contract Labor | .00 | * 0.00 |
| 8100 Financial Salary | 51,572.00 | * 14.01 |
| | ----- | |
| TOTAL Salary/Wages/Benefits | \$51,572.00 | * 14.01 |
| Taxes | | |
| ----- | | |
| 8210 Payroll Taxes | 10,581.00 | * 2.87 |
| 8220 Sales/B&O Taxes | 896.00 | * .24 |
| 8230 Real Estate Tax | .00 | * 0.00 |
| 8290 Other Taxes/License | .00 | * 0.00 |
| | ----- | |
| TOTAL Taxes | \$11,477.00 | * 3.12 |
| Other Operating Expense | | |
| ----- | | |
| 8401 Rent - Real Estate | 18,100.00 | * 4.92 |
| 8402 Rep/Maint Real Est | 162.00 | * .04 |
| 8411 Security Expense | 374.00 | * .10 |
| 8412 Telephone | 1,446.00 | * .39 |
| 8420 Utilities | 2,443.00 | * .66 |
| 8520 Professional Service | 600.00 | * .16 |
| 8600 Auto/Truck | 4,093.00 | * 1.11 |
| 8720 Equip Rep/Maint | .00 | * 0.00 |
| 8800 Supplies | 157.00 | * .04 |
| 8911 Advertising | 38,487.00 | * 10.45 |
| 8916 Laundry | 173.00 | * .05 |
| 8917 Janitorial | .00 | * 0.00 |
| 8932 Dues/Subscriptions | .00 | * 0.00 |
| 8936 Office Supplies | 419.00 | * .11 |
| 8941 Liability Insurance | 1,416.00 | * .38 |

P65 d -

[REDACTED] Inc
 Statement of Profit/Loss from Sources/Applications
 Division CONTROLLERSHIP REPORTS
 07 NOV 1999 For Months of July, 1999 to August, 1999

Page 2

| | Period | %age |
|-------------------------------|-----------------|-------|
| TOTAL Other Operating Expense | \$67,870.00 * | 18.43 |
| Total Expenses | \$130,919.00 * | 35.56 |
| OPERATING INCOME/(LOSS) | \$876.00 * | .24 |
| OTHER INCOME/EXPENSES | | |
| Non-Operating Income | | |
| 9710 Interest Income | 95.00 * | .03 |
| TOTAL Non-Operating Income | \$95.00 * | .03 |
| Other Expenses | | |
| 8180 Corporate Officer Salary | 1,020.00 * | .28 |
| 8310 Group Health Insur | 554.00 * | .15 |
| 8320 Group Life Insurance | 222.00 * | .06 |
| 8931 Donations | .00 * | 0.00 |
| 8934 Interest/Bank Chrg | 2,363.00 * | .64 |
| 8935 Pensions/Retirement | 2,000.00 * | .54 |
| 8938 Travel & Lodging | 4,600.00 * | 1.25 |
| TOTAL Other Expenses | \$10,759.00 * | 2.92 |
| TOTAL OTHER INCOME/EXPENSE | <\$10,664.00> * | -2.90 |
| NET INCOME/(LOSS) | <\$9,788.00> * | -2.66 |

P667-

Statement of Profit/Loss from Sources/Applications
 Division CONTROLLERSHIP REPORTS
 For Months of July, 1999 to August, 1999

Page 3

07 NOV 1999

| | Period | %age |
|--------------------------------|-----------------|-------|
| NET INCOME/(LOSS) | <\$9,788.00> | |
| SOURCES/USES | | |
| Non Taxable | | |
| ----- | | |
| 1200 Receivables | .00 * | 0.00 |
| 1300 Inventory | <14.00> * | -.00 |
| 2110 Leasehold Improvements | .00 * | 0.00 |
| 2120 Equipment | .00 * | 0.00 |
| 2130 Vehicles | .00 * | 0.00 |
| 2140 Office Furniture & Equip | .00 * | 0.00 |
| 2899 Accumulated Depreciation | .00 * | 0.00 |
| 3100 Leasehold Improvements | .00 * | 0.00 |
| 4100 Accounts Payable | <3,984.00> * | -1.08 |
| 4220 Accrued Payroll | <295.00> * | -.08 |
| 4230 Accrued Payroll Taxes | .00 * | 0.00 |
| 4250 Accrued Sales Taxes | <960.00> * | -.26 |
| 4300 Notes Payable-Short Term | <36,263.00> * | -9.85 |
| 4310 Contract Payable Forklift | .00 * | 0.00 |
| 4500 Customer Deposits | 1,001.00 * | .27 |
| 5000 Owner Loans/Draws | .00 * | 0.00 |
| 5800 Dividends Paid | 6,000.00 * | 1.63 |
| ----- | | |
| TOTAL Non Taxable | <\$34,515.00> * | -9.37 |
| ===== | | |
| NET SOURCES USES | \$24,727.00 * | 6.72 |

P670 - Closing Operations SAS

The SAS system is programmed to reject the selection of a period beyond the current period (~~the~~ months) in which operations have been held open and allowed.

When an operator attempt is made to select a future year period a decision screen is presented.

Do you want to transfer present
current period SAS status
to now a prior year status

Y/N —

Caution; When this is done
the prior year SAS
period data is taken

by the SAS system

Also a closed EOY Balance sheet
is determined for SAS system
purposes in the new (next) fiscal year

An Elemental Sequential Outline
Superimposed Accounting System
The Entity (FIT) System

Basically,
Same as for Controllers
Except for titles (The Entity (FIT)
system and FAR sub system
"Keying" can be removed on
variables in P+L

YTD Entity (FIT) Reports
[The Retail Store]

Comparative Balance Sheet Analysis
Profit & Loss / Cash Flow Analysis

An Elemental Sequential Outline The Controllership System

Page

- 70 Data scan Entry (Exit) menu
- 71 Quickbooks Possible Entry (Exit)
- 72 Period Selection Entry menu (explained)
- 73 Intervening Edit Report sub system
- 74 Period Selection Entry (Elements)
- 75 Input Adjustment Options menu [Are filled]
- 76 Best Source / Other
- 77 Accrued Payroll
- 78 Accrued PR Taxes
- 79 Accrued Sales / Excise Taxes
- 80 Report Selection Options menu (Are filled)
- 81 YTD Template Analyzed Report system
- 82 Analyzed Comparative Balance Sheet
- 83 Analyzed Profit and Loss
- 84 Audit trail Report
- YTD ~~Entity FIT~~ ~~Controllership~~ Reports
[The Retail / Store]
- 85 Comparative Balance Sheets Analysis
- 87 Profit + Loss / Cash Analysis
- ~~Break even Point analysis~~
- Entity FIT
~~Controllership~~ Reports Period to Period
not shown another Retail Store
BUT do-able Comparative Balance Sheet analysis
Profit and Loss / Cash analysis
- 89 Closing Operations (SAS)

P 7007 —

```

: Clarks Berry WCC

```

09:30:48 02 NOV 1977
DATASCAN SERVICE CLIENT MENU

modules

1. Enter General Ledger Menu
2. Enter Vendor Contracts Payable
3. Enter Vendors and Payables Menu
4. Enter Asset Management Function
5. Enter Customers and Receivables Menu
6. Employee Payroll Menu
7. Enter Customer Contracts Receivable

Data can operating mo
(some - not all)

→ Data scan module access to SAS system

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General Ledger Functions and Reports
F5=Toggle MAIN/LAST menu Ctl-F5=TCL F9=END menu Retrn=Run menu option

```

: The Retail Company
DATASCAN :

```

09:59:36 07 NOV 1999
DATASCAN GENERAL LEDGER MENU

DATA ENTRY

1. Enter General Ledger Transactions 3. Enter BATCH Checks
2. Enter Single Checks

REPORTS

4. Enter DATASCAN G/L Reports Menu
5. Working Capital/Statistical Forecasting Menu

UTILITIES

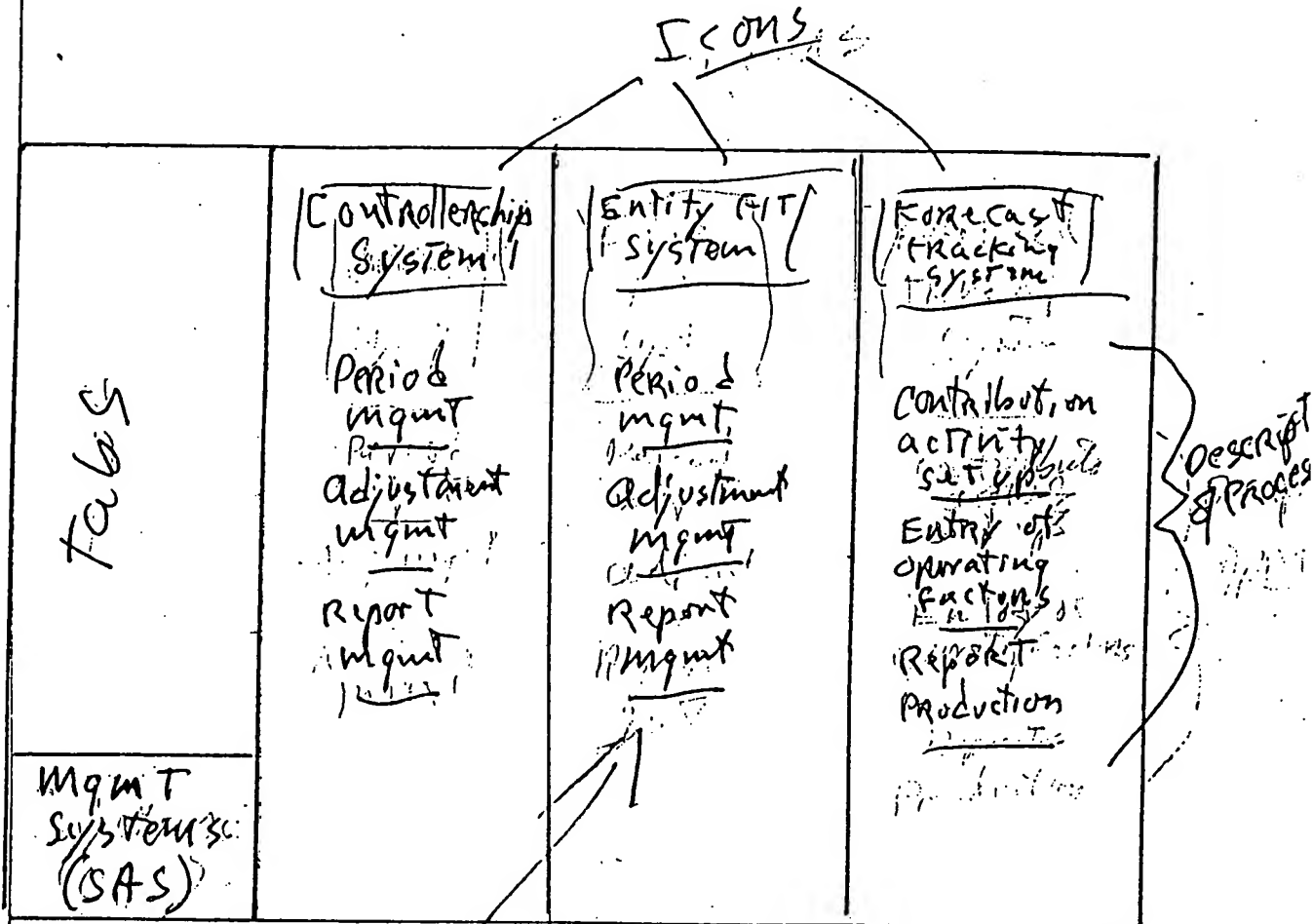
- | | |
|-------------------------------------|-------------------------------------|
| 6. Enter/Edit DEPARTMENT Data | 11. Change Balance Report Headings: |
| 7. Enter/Edit CHECKBOOK Information | 12. Change Income Report Headings : |
| 8. Enter/Edit DIVISION Definitions | : |
| 9. Enter/Edit CHART OF ACCOUNTS | 13. Year End G/L Closing Process : |
| 10. Enter/Edit Account TYPES | 14. DATASCAN Backup Utility : |
| | 15. Auxilliary Utility Menu : |

Weeks Data: can
Menu access to
SAS system

Make a direct General Ledger Transaction Entry
F5=Toggle MAIN/LAST menu Ctl-F5=TCL F9=END menu Retrn=Run menu option

Note: The Data source choice & menu title and placement under REPORTS is arbitrary but functionally ok.

The Quick Books Navigation Possible SITS system access



Each of these is a system

These two systems are SAS systems

Superimposed Accounting System Manual

Period (Selection) Entry

Operator Entry

Operator FIRST Steps

01. Select CURRENT PERIOD (C) PRIOR PERIOD (P)
02. Select PERIOD THRU 201 to 212 - see below

| |
|--|
| |
| |
| |

Explained in only

- After operator entry the computer system does as follows:
1. Selects and downloads Beginning of Year (BOY) post closing Balance Sheet (BS) host data into an intervening Edit Report (IER) sub system that compares new data to any pre-existing old data held in the template Analyzed Report (TAR) sub system for the same period selected. When this IER comparison is proven OK or when this matching process shows a zero condition in the TAR matchup (first processing) then the host data is moved thru into the selected period TAR sub system. If however IER differences are found an IER summary of reports are automatically rendered (screen or print out) then the operator is given the decision to cancel or replace.
 2. Selects and downloads "select period thru" data for BS and YTD Profit and Loss (P+L) to go thru the same edit process before being allowed as an update to the selected period TAR sub system. Part of the IER process is to determine that the BS/P+L system itself is in or out of balance by step.

Explained

Operator Selection

- After operator first steps are completed:
03. Input adjustment options (access)
 04. Report selection options (access)

This app only first is

| CURRENT YEAR | | | PRIOR YEAR | | |
|--------------|-----------|---------------|------------|-----------|---------------|
| Period | THRU DATE | ad status Y/N | Period | THRU DATE | ad status Y/N |
| 1 | | | 1 | | |
| 2 | | | 2 | | |

Physical location of period year

Thru 12

12

Thru 12

12

The Intervening Edit Report (IER)

Business Name _____

Date of Processing _____

Selected Period _____

number

Through _____

date

(YTD)

| GL Code | Description | Beginning of Year | | | THRU Period Selected | | |
|------------|------------------------------------|-------------------|-----------------|-------------|----------------------|-----|-----------------|
| | | Host Data | | | Host Data | | |
| | | old | new | Differences | old | new | Differences |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| | Previously stored in TAR subsystem | | | | | | |
| | IER Newly selected from host | | | | | | |
| | | | (3) - (4) = (5) | | | | |
| | Previously stored in TAR system | | | | | | |
| | IER Newly selected from host | | | | | | |
| | | | | | | | (6) - (7) = (8) |

Presented in
Trial Balance
sequence for m

P74d) —

Superimposed Accounting System Menu 86

Period (Selection) Entry Operator
Entris

Operator first steps

- 01 Select current period (C) Prior Period (P) ☐
- 02 Select Period than [01-12, see below] ☐

Operator
Selections Access to Pre filled Options

- [1] Input Adjustment options
- [2] Report Selection options

this appears
only after
first step
is completed

Period SAS Status Report
CURRENT YEAR PRIOR YEAR

see page 1

1 Input Adjustments options menu

These adjustments can be not allowed if the operator selected PRIOR Period 1P in the PERIOD (selection) ENTRY process.

This would depend on the Host systems ability to handle this possibility. Datascan handles this possibility by providing for prior year (12/31 same as 1/1 for calendar year) end of year adjustments only, this of course can be an option for other host systems

CURRENT PERIOD Thru
 operator selection Period DATE

1. Best Source/other
 2. Accrued Payroll
 3. Accrued PR taxes
 4. Accrued Sales/Excise taxes
- } cut off adjustments

Beginning of CURRENT Year
 operator selection Period DATE

1. Best Source/other
 2. Accrued Payroll
 3. Accrued PR taxes
 4. Accrued Sales/Excise taxes
- } cut off adjustments

1. Audit Trail access selections

1. Current Period Thru
 Period DATE

2. Beginning of Year (Current)

Closing Process could freeze this option

Input Adjustments

Pre-filled

Pre-filled

Pre-filled

Pre-filled

P. 760 - PRETINED (BS)

1. BEST SOURCE / OTHER (SCREEN) 81

ewitts Mattress Whse Inc)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION (I-1)

1. Reference
2. Trans Date
3. Adjust Month
- MPR Type
5. Department

6. Memo Entered

PRE filled

DATA can
PRE filled

7. GL Acct Acct Name

Line Note

Amount

OPERATION
ENTERED

THEN
ACCT NAME
IS FILLED IN

OPERATION
ENTERED
(OPTIONAL)

OPERATION
ENTERED

NECESSARY

Balance

Transaction Ref# ? (Next default sequence number is 71)

Reference

PREFIX

(BS)

NUMBER IS SEQUENTIALLY
ASSIGNED

X X X

These adjustments
are EDITABLE
but NEVER REVERSED
because of SAS system's
STRUCTURE and operation

Audit Trail Reports
ARE data accessed
by Period / Date

and PRE filled PREFIX
adjustment would be
reported and arranged
in detail by GL account

BEST SOURCE Adjustments

When Host system only partially utilized
 [Best source adjustments should be made
 based on EOM analyses as follows:]

These adjustments will vary
 depending on how host system
 entered cash transactions

Receivables at EOM

Asset - accounts Receivable
 Revenue - sales
 Expense - Sales tax

Payables at EOM

Liabilities - Accounts Payable
 C/S -
 Expenses

Payroll at EOM

Expense - Gross Wages
 Expenses - PR taxes
 accrued Payroll

ACCRUED TAXES - EOM

accrued PR taxes
 Expense - PR taxes
 accrued sales / excise taxes
 Expense - Sales / Excise taxes

should
 use ~~but~~
 off entries

These adjustments become
 repetitive when practices are not changed

DR (+)

CR (-)

xxx

xxx

xx

xxxx

xxx

xx

xxx

xx

xxx

xx

xx

xx

xx

Other adjustments

These entries
 should be
 made in
 host system
 as is the
 case with
 Best source
 adjustments

- o Correction of host system Fixed asset accounting
- o Correction of host system TERM contracts accounting (Assets/Liabilities)
- o Other host system corrections

However, with many small business applications the host system operations should be left simple and technically not correct but to be corrected through the SAS system by service center accountant.

P16B

V.7787-

2 accrued Payroll (PR)

90

(The Retail Company)

(I-1)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION

1. Reference
2. Trans Date
3. Adjust Month
- MPB Type
5. Department

6. Memo

Pre filled

Data sum
pre-filled

7. GL Acct Acct Name Line Note Amount

same as Best source

these adjustments
are creditable but
never reversed
because of SAS
system structure
and operation

Balance

Transaction Ref# ? (Next default sequence number is 12)

Memo ENTRY screen for calculation purposes

| Next PR after EOM | GL codes | total gross | Calculation Daily unit cost by using work days (÷) into gross | Daily unit cost | Data source make the calculations for every pay period |
|----------------------|-------------|----------------|--|-----------------------|--|
| | — | — | | — | |
| | — | — | | — | |
| | — | — | | — | |

Proof of what accrued PR Balance sheet total should be

1. Unpaid EOM total of Net Payroll

2. Add SAS accrued PR Adjustment (above)

(1) + (2) Proof total

[Compare to SAS Balance sheet Amount]

available
from PR
system

Note: the exact GL entry will only be determined
for each particular system as managed by an accountant

P78d - 3 accrued PR takes

91

(The Retail Company)

(1-1)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION

1. Reference
2. Trans Date
3. Adjust Month
- MPB Type
5. Department

| |
|--|
| |
| |
| |

6. Memo

Pre filled

m

3 Data scan
pre-filled

7. GL Acct Acct Name

Line Note

Amount

same as Best source

These adjustments
are editable but
never reversed
because of SAS
systems structure
and operations

Balance

Transaction Ref# ? (Next default sequence number is 12)

Memo Entry screen for calculation purposes

Note: accrued PR takes are automatically determined and then (GL) posted to correct accounts as each payroll is processed through a CAS system (host)

| | | | |
|-------------------|-------------|----------------------------------|-----------------------|
| Next PR after EOM | total Gross | PR taxes Estimated Employer cost | accrued PR adjustment |
| \$ | _____ | _____ | _____ |

$(A) \times (B) = \$$ _____

Add PR taxes reported but not paid by EOM
Form 941/943 Deposit

SUTA

FUTA

Labor

Other

+ Industries

Proof total (1)+(2)

Note: the exact GL entry will only be determined for each particular system as managed by our accountant

P7957- ~~4~~ Accrued Sales/Excise taxes

92

(The Retail Company)

(I-1)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION

1. Reference
2. Trans Date
3. Adjust Month
- MPB Type
5. Department

6. Memo

Pre filled

Data scan
Pre filled

7. GL Acct Acct Name

Line Note

Amount

Same as Best Source

These adjustments
are editable but
never reversed
because of SAS
system's structure
and operations

Balance

Transaction Ref# ? (Next default sequence number is 12)

MEMO ENTRY screen for calculation purposes
Note: Accrued Sales/Excise taxes are automatically
determined and then (GL) posted to correct accounts
as each sales invoice is entered through a host
CAS system however, adjustments are almost
always necessary to report accurate BS/P&L data
Sales/Excise taxes calculated (reported) to be
paid at EOM but not paid:

State Dept of Revenue
City taxes
Other

Proof/Total

Note: The exact GL entry will only be determined
for each particular system as managed by an accountant

[2] Report Selection Options (Pre filled)

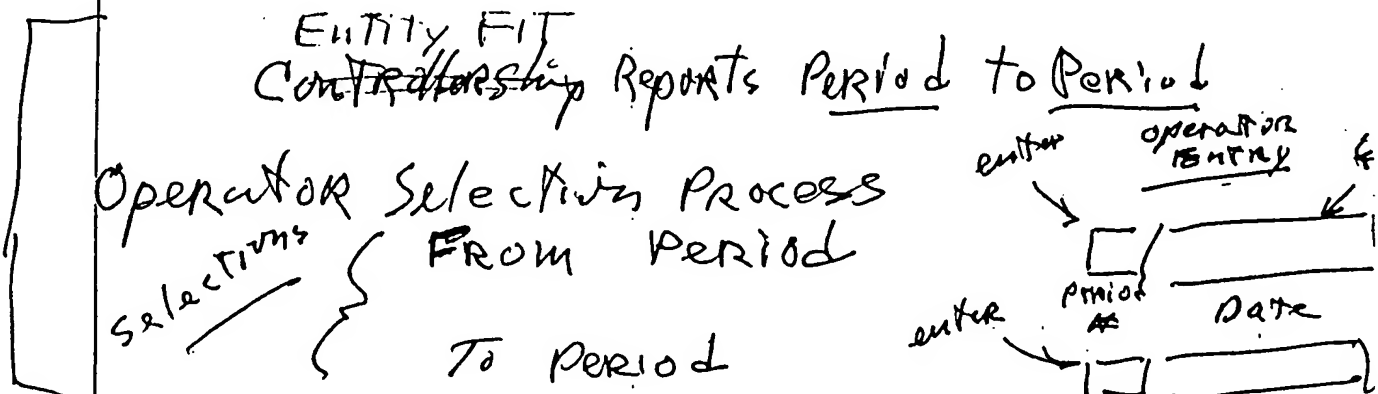
Selected Period Through

Number Date

- YTD Template Analyzed Report (TAR) System
1. Analyzed Comparative Balance Sheets (Kt)
 2. Analyzed Profit + Loss (YTD)
 3. TAR Report Series (BS/P+L) YTD

- Entity FIT
- YTD ~~Controllorship~~ Reports YTD
1. Comparative Balance Sheet Analysis
 2. Profit and Loss / Cash Flow Analysis
 3. Controllorship ~~Report~~ Series (BS/P+L - Cash flow)

all these will
be for perio
already sel
for 5 yr
and app



Then SAS system generates reports as follows:

Report formats

Balance Sheet

GL Code
Kt

Description

Beginning
Period

Ending
Period

Differences
Wt's
copied

chg in
Fin pos

some
calculations
as YTD

NOT BOY

Profit + LOSS

GL Code
Kt

Description

Beginning
Period
to YTD

Ending
Interim
Period

Ending
Period
to YTD

from
TAR

calculations

from
TAR

Explanation

p8187 -

Page

- YTD The template Analyzed Report System
- 82 Analyzed Comparative Balance Sheets
- 83 Analyzed Profit and Loss

[Formats and
Content outline
with computed
columns and
Keyed entry
explanation]

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|--------------|-----------------|--|--|--------------------------------------|--|---|--------------------------------------|--------------------------------------|--|
| Gr- codes | (1-Description) | BOY H/S T BS | BOY SAS adj | BOY SAS Adj BS | at H/S T | at SAS adj | at SAS Adj BS | BS change | Enter keys (c) Cash acct (w) W/C (profit & loss) |
| XXXX | ASSETS | Beginning of year (BOY) host system post closing Balance sheet amounts | Beginning of year (BOY) SAS adjustments - post closing | Calculated totals (3) + (4) = (5) | period Balance sheet host system Balanced by determination Profit/Loss | selected period's SAS (BS) in adjustments with closed out by YTD Profit/Loss (column 6) | Calculated totals (6) + (7) = (8) | Calculated totals (8) - (5) = (9) | Gr accounts use of letters |
| | EQUITY | | | | | | | | |

Calculated totals
(3) + (4) = (5)

Stuwws selected ad Period's A/S (BS)
system adjustments with
balanced out by YTD Profit/Loss
(see column 6)

Calculated Totals
(6) + (7) = (8)

Calculated totals
(8) - (5) = (3)

Key GL accounts thru use of letters

Report dated 1/11/11

Operation
Decision

TAR Treatment of Beginning of year (BOY) 96 Host Data

The BOY host data placed (found) in every selected period YTD Template Analyzed Report (TAR) comes from the same source (computer file). The CAS operator can select 12 ~~per~~ current periods for processing and all 12 of the TAR report displays will show the same BOY host data.

Also every SAS selected period will provide the operator an opportunity to make SAS (BOY) adjustments and these BOY adjustments are the same (number, date, pre-fix) as set out for the operator in every selected period "Input Adjustments options menu (page 38)".

Note: All this is very important in accomodating and simplifying the operators review and work regarding the SAS system.

P83d) — The template Analyzed Report (TAR system)

System Entity FIT
 Analyzed Profit and Loss
 (Business name) Selected Period Through
 number date (yr.)

| ① | ② | ③ | ④ | ⑤ | ⑥ | ⑦ |
|----------|-------------------|-------------|-------------|---------------|------------|--------------------|
| GL codes | Descriptions | Host P/L To | Host P/L To | SAS adjust at | SAS P/L To | Enter variable key |
| XXXX | Income | | | | | |
| | c/s | | | | | |
| | Expenses | | | | | |
| | Net operating P/L | | | | | |
| | Extra Line/Exp | | | | | |
| | Net Income | | | | | |

Host data should always be zero

selected period host P/L data for YTD

shows selected period SAS system P/L adjustments

calculated totals
 $(3) + (4) + (5) = (6)$

Can Key all variable acct (for) so that P/L can put them before determination in 5 finance / maintenance / Profit

Year to Date (YTD) host Profit and Loss (P/L) data's down loaded into TAR system Report (Columns / Rows) each time operator completes the SAS Controller's menu "First operation procedure"

not need in FIT system

After These Proof / Key steps The "Final Report Series" of Reports can be Run as newly structured by "Keys"

2) Report Selection Options (Prefilled)

Selected Period number through date

Audit Trail Report Options prefill

Operation Selection Options

1. Beginning of current year

2. Beginning of prior year

3. Selected current period

period date

| | |
|---|--|
| 1 | |
| | |
| | |

Note: The audit trail report format is normal as to format

| GL code | Description | Amounts |
|------------|-------------|---------|
| xxx | ~~~~~ | DR (+) |
| | | CR (-) |

But it is unusual as to content. The content of this report is the detail of every SAS prefixed entry in number sequence but only for the selected period date (EOM). The total of which will always be zero (balanced) and each GL account total will correspond with the TAR report column to which it is related.

| |
|------------------------------|
| Period (SAS) Status Report |
| CURRENT YEAR PRIOR YEAR |

see page

The Retail Company.
Comparative Balance Sheets
Division FIT TAX BASIS REPORT

Page 1

25 OCT 1998

Beginning Year: January 1, 1997 To December, 1997

| Acct# Account..... | Jan, 1997 | Dec, 1997 | Working Cap. | Source/Use |
|----------------------------------|---------------------|---------------------|-------------------|------------------|
| ASSETS | | | | |
| <u>Current Assets</u> | | | | |
| 1005 Cash in Bank | 15,500.00 | 3,500.00 | -12,000.00 | |
| 1200 Receivables | 9,800.00 | 15,500.00 | 5,700.00 | |
| 1300 Inventory | 330,000.00 | 380,800.00 | 50,800.00 | |
| TOTAL Current Assets | \$355,300.00 | \$399,800.00 | 44,500.00 | |
| <u>Fixed Assets</u> | | | | |
| 2130 Vehicles | 21,000.00 | 21,000.00 | .00 | |
| 2140 Office Furniture & Equip | 5,000.00 | 5,000.00 | .00 | |
| 2150 Computers & Accessories | 8,000.00 | 8,000.00 | .00 | |
| 2899 Accumulated Depreciation | (25,900.00) | (27,520.00) | -1,620.00 | |
| TOTAL Fixed Assets | \$8,100.00 | \$6,480.00 | -1,620.00 | |
| <u>Other Assets</u> | | | | |
| 3200 Goodwill | 10,000.00 | 10,000.00 | .00 | |
| 3299 GW Amortization | (2,000.00) | (4,000.00) | -2,000.00 | |
| TOTAL Other Assets | \$8,000.00 | \$6,000.00 | -2,000.00 | |
| TOTAL ASSETS | \$371,400.00 | \$412,280.00 | 44,500.00 | -3,620.00 |
| LIABILITIES | | | | |
| <u>Current Liabilities</u> | | | | |
| 4100 Accounts Payable | 120,500.00 | 80,000.00 | -40,500.00 | |
| 4230 Accrued Payroll Taxes | 11,000.00 | 10,000.00 | -1,000.00 | |
| 4250 Accrued Sales Taxes | 7,000.00 | 6,000.00 | -1,000.00 | |
| 4300 Notes Payable-Short Term | 45,000.00 | 40,000.00 | -5,000.00 | |
| TOTAL Current Liabilities | \$183,500.00 | \$136,000.00 | -47,500.00 | |
| <u>Term Liabilities</u> | | | | |
| 4400 Notes Payable-Long Term | 20,000.00 | 16,200.00 | -3,800.00 | |
| TOTAL Term Liabilities | \$20,000.00 | \$16,200.00 | -3,800.00 | |
| TOTAL LIABILITIES | \$203,500.00 | \$152,200.00 | -47,500.00 | -3,800.00 |
| OWNERS EQUITY | | | | |
| <u>Owners Equity</u> | | | | |
| 5001 FIT-Owner Health Ins | (2,400.00) | (4,800.00) | -2,400.00 | |
| 5002 FIT-Owner Life Insurance | (1,200.00) | (2,400.00) | -1,200.00 | |
| 3 FIT-Donations | (1,000.00) | (1,500.00) | -500.00 | |
| 5000 Capital Stock | 20,000.00 | 20,000.00 | .00 | |
| 5600 Retained Earnings | 204,500.00 | 204,500.00 | .00 | |
| 5800 Dividends | (2,800.00) | (10,000.00) | (7,200.00) | |

~~Phase 1 - 1/1/98 - 1/1/99~~
~~Phase 2 - 1/1/99 - 1/1/00~~
~~Phase 3 - 1/1/00 - 1/1/01~~

p879-

101

The Retail Company.

Page 1

Statement of Profit/Loss from Sources/Applications

Division: FIT TAX BASIS REPORT

25 OCT 1998 For Months of January, 1997 to December, 1997

Period: 1/1/97 to 12/31/97

OPERATING REVENUES

Revenue

6110 Retail Taxable Sales

TOTAL Revenue

Direct Costs

7000 Merchandise Cost

TOTAL Direct Costs

NET REVENUES

OPERATING EXPENSES

Salary/Wages/taxes/benefits

8100 Salaries & Wages

8110 Sales Commission

8190 Corporate Officer Salary

8110 Payroll Taxes

8310 Group Health Insur

8320 Group Life Insurance

8340 Pensions/Retirement

TOTAL Salary/Wages/taxes/benefits

Other Taxes

8220 Sales/D&O Taxes

TOTAL Other Taxes

Other Operating Expense

8401 Rent - Real Estate

8412 Telephone/Telepage

8420 Utilities

8520 Professional Service

8600 Auto/Truck

8711 Advertising

8731 Donations

8734 Interest/Bank Chrg

8736 Office Supplies

8741 Liability Insurance

8799 Miscellaneous

TOTAL Other Operating Expense

Total Expenses

102

The Retail Company.

Page 2

Statement of Profit/Loss from Sources/Applications

Division: FIT TAX BASIS REPORT

25 OCT 1998 For Months of January, 1997 to December, 1997

| | Period | %age | |
|------------------------|--------------|------|-----------|
| 8995 Bad Debts | 500.00 x | .03 | |
| 8996 Amortization | 2,000.00 x | .11 | 60,000.00 |
| 8997 Depreciation | 1,620.00 x | .09 | 60,000.00 |
| 8998 Fines & Penalties | (4,100.00) x | -.23 | 60,000.00 |
| TOTAL Other Expenses | \$20.00 x | .00 | |

TOTAL OTHER INCOME/EXPENSE (120.00) x -.00

NET INCOME \$54,280.00 x 3.02

The Retail Company.

Page 3

Statement of Profit/Loss from Sources/Applications

Division: FIT TAX BASIS REPORT

25 OCT 1998 For Months of January, 1997 to December, 1997

| | Period | %age | |
|-------------------------------|-----------------|-------|-----------|
| NET INCOME | \$54,280.00 | | |
| SOURCES/USES | | | |
| Non Taxable | | | |
| 2899 Accumulated Depreciation | (1,620.00) x | -.09 | 60,000.00 |
| 3209 GA Amortization | (2,000.00) x | -.11 | 60,000.00 |
| 4400 Notes Payable-Long Term | 3,000.00 x | .21 | 60,000.00 |
| 5001 FIT-Owner Health Ins | 2,400.00 x | .13 | |
| 5002 FIT-Owner Life Insurance | 1,300.00 x | .07 | |
| 5003 FIT-Donations | 500.00 x | .03 | |
| 5800 Dividends Paid | (42,000.00) x | -2.33 | |
| TOTAL Non Taxable | (\$37,720.00) x | -2.10 | |

NET CHG IN WORKING CAPITAL \$72,000.00 x 5.11

(change in cash) (change in cash) (change in cash)

~~Place this document in the file~~
~~Read and understand~~
~~THIS PAGE~~
~~11-11-11~~

The SAS system is programmed to reject the selection of a period beyond the current period (12 months) in which operations have been held open and allowed.

When an operator attempt is made to select a future year period a decision screen is presented.

Do you want to transfer present
current period SAS status
to now a prior year status

Y/N —

Caution; When this is done
the prior year SAS
period data is taken
off the SAS system

Also a closed EOY Balance sheet
is determined for SAS system
purposes in the new (next) fiscal year

P90d)-

EXHIBITS

Page

91 A Glossary

93 B Asset Management System

97 ^(C/P) C CONTRACTS Management System103 ~~D~~ FORECAST + TRACKING SYSTEM114 ~~E~~ Bankers Reports115 G Datastream Computer Accounting
Elements (algorithms)

P91d - Glossary

Host System

Any Computer Accounting System (CAS) operating in conjunction with the Superimposed Accounting System (SAS).

Non Cash Entries

Non transactional accounting entries:

- Depreciation
- Amortization
- Deferred Charges / Credits

Process accrual Basis

that double entry transactional Business
 task operations (cash, AR, AP, PR, Inventory)
 basis of accounting that can result
 in accurately compiled Financial
 Report (BS, P+L) data provided
 w/o adjustments are made as
 necessary.

P92d) - Glossary

SAS System Adjustments

Best Source adjustments

Adjustments necessary to enter
BS/P&L data not introduced
through the host C.A.S. system
and that are not cut off accrual
adjustments

Cut off (accrual) adjustments

The following adjustments ^{sometimes} necessary
to complete the accuracy of
financial report (BS, P&L etc) data
developed through the SAS
controllership system of accounting

- 1 accrued payroll adjustments
- 2 accrued PR tax adjustments
- 3 accrued Sales/Exercise tax adjustments

SAS system financial Indicators (special)

Balance Sheet(s) Related

- o Changes in Working Capital Analysis
- o Changes in Financial Position Analysis
- o Current Ratio

Profit + Loss Related

- o Gross (Contribution margin) Profit
- o Overhead (fixed and semi fixed expenses)
- o Cash Flow analysis - sources and uses

P93A -

Fixed Asset Mgmt system (FAM)

Comments

main use of
this FAM system
is for entering
personal property
purchases

ENTRIES are NOT associated To Host system or SAS system; Entries are made from asset purchases source documents

Importance

Accountants in a business or service center are greatly benefited by:

1. The filing of source documents
2. The files agreement with FAM system Reports

This treatment will report working capital correctly and P&L as it relates to working capital!

Leased assets

Both short term and Long term Leases in my opinion should be expensed as paid in the Controlship system.

XXXX Shorter term Lease Expense
XXXX Long term Lease Expense

After a LT Lease is paid for the asset purchased could be capitalized as an

DATASCAN

10:27:19 22 NOV 1997
DATASCAN FIXED ASSET MANAGEMENT MENU

108

DATA ENTRY
ENTRY 3

1. Enter Fixed Asset Item
ENTRY 2

REPORTS
REPORT 4

2. Asset Summary Report
3. Asset Detail Report
4. Asset Listing

UTILITIES

5. Enter A/M Control Codes
6. Set Printer Settings
7. Perform Year End Processing

Asset Management

F5=Toggle MAIN/LAST menu Ctl-F5=TCL F9=END menu Retrn=Run menu option

FIXED ASSET ENTRY

(1-1)

| | | | |
|----------------------|----------------|----------------------|------------|
| 1. Asset No. | 5 | DEPRECIATION INFO | |
| 2. Description | Computer | 19. Basis | 2,479.39 |
| 3. Asset Type | EQUIPMENT | 20. Accum. Depr | |
| PURCHASE INFORMATION | | Current Value | 2,479.39 |
| 4. Purchase Vendor | Robin Korthuis | 21. Method | SL |
| 5. Purchase Date | 01-15-96 | 22. Term | 10.0 Years |
| 6. Purchase Price | 2,479.39 | DEPRECIATION HISTORY | |
| 7. Sales Tax Paid | | 23. Year | Method |
| 8. License Fees Paid | | | Amount |
| 9. Other Charges | | | |
| 10. Less Trade-In | () | | |
| 11. TOTAL COST | 2,479.39 | | |
| 12. CASH PAID | 2,479.39 | | |
| 13. CONTRACT BALANCE | | | |

INSTALLMENT CONTRACT INFORMATION

14. Contract Holder Original Bal Ref# Type? Note

Coll

CHANGE ?

*Book Keeping
center work*

*Enter from purchase
documents - not GL
connected except as
to reconciliation*

P940

P95A-

10:26:22 22 NOV 1997
ASSET SUMMARY REPORT

FY: Jan, 1998
er9704061

01. Enter Asset TYPE for Report or <E> for ALL ? All Types
02. Select Year for Report ? 1996
03. Enter Report DATE ? 11-22-97
04. PRINT this Report (Y/N) ? Yes

CHANGE LINE (1-4), 'END' to Quit, or <E> to Continue ?

PRINTER SETTINGS:

- 1) Device : PRINTER
2) Printer : PAN-KXP1524
3) Mode : Draft
4) CPI: 15 5) LPI: 6
6) Orient : Portrait
Change (1-6) OR 'OK' ? OK

Page 1

Asset Summary Report
For Service Year: 1996
as of 11-22-97

22 NOV 1997

| Ref# | Description | Type | Purchase | Cost | Cash Paid | Contract Bal |
|--------------------------------------|--------------------|----------------|------------|------------|-----------|--------------|
| Asset Type Classification: BUILDINGS | | | | | | |
| 10 | Shop/Barn Building | BUILD 09-30-96 | 21,253.10 | 21,253.10 | | |
| 12 | Planning/Permits | BUILD 09-30-96 | 3,489.21 | 3,489.21 | | |
| 14 | Bldg Improvement | BUILD 12-31-96 | 17,558.00 | 17,558.00 | | |
| 15 | Bldg Improvement | BUILD 11-27-96 | 9,620.00 | 9,620.00 | | |
| Summary for Asset Type: BUILDINGS | | | 51,920.31 | 51,920.31 | | .00 |
| Asset Type Classification: EQUIPMENT | | | | | | |
| 5 | Computer | EQUIP 01-15-96 | 2,479.39 | 2,479.39 | | |
| 6 | 4190 0043 0465 | EQUIP 01-29-96 | 992.50 | 992.50 | | |
| 7 | Agitator | EQUIP 04-24-96 | 5,000.00 | 5,000.00 | | |
| 8 | 4190 0043 09137 | EQUIP 08-20-96 | 1,000.00 | 1,000.00 | | |
| 9 | 4190 0043 09137 | EQUIP 09-21-96 | 2,892.50 | 2,892.50 | | |
| Summary for Asset Type: EQUIPMENT | | | 12,364.39 | 12,364.39 | | .00 |
| Asset Type Classification: LAND | | | | | | |
| 11 | Benson 41 | LAND 07-26-96 | 68,212.30 | 68,212.30 | | |
| Summary for Asset Type: LAND | | | 68,212.30 | 68,212.30 | | .00 |
| Asset Type Classification: VEHICLES | | | | | | |
| 13 | Automobile | VEHIC 12-16-96 | 800.00 | 800.00 | | |
| Summary for Asset Type: VEHICLES | | | 800.00 | 800.00 | | .00 |
| REPORT SUMMARY | | | 133,297.00 | 133,297.00 | | .00 |

p965-

11C

Fixed Asset Management (FAM)

The Summary Depreciation Schedule (SDS) Sub system

A depreciation schedule "system" can be programmed to use total asset type costs per year as generated from the FAM system and allow CAS operators to enter only straight line key data for each asset type. *Even residual values*

This SDS report system could prove to be important to Bankers etc

p97d —

111

Contract/Lease management

Datascan Contracts Payable

Datascan Contracts Receivable

Comments

(optional)
Entries can be connected to host system
(Payments/Receipts) - assets and liabilities
Balances must always be reflected in host system

Importance

Accountants in a business or service center are greatly benefited by

1. The filing of source documents
2. The files agreement with contract (term) reports

Leases

Short term leases are expensed
Long term leases should be entered and reported
as a group (capital assets)

p981 -

112

10:36:09 22 NOV 1997
DATASCAN CONTRACTS PAYABLE MENU

DATASCAN :

DATA ENTRY

- 1. Enter Contract Vendors
- 2. Enter Vendor Contracts
- 3. Contract Payments and Transactions
- 4. Enter Vendor Payment Vouchers

REPORTS

- 5. Vendor Contracts Report
- 6. Contract History Report
- 7. List Current Contracts
- 8. Process Contract Payment Vouchers
- 9. C/P Transactions Journal

UTILITIES

- 10. Enter C/P Control Codes
- 11. Perform Year End Processing

*System maintainable
as independent of
GL system or integrated
with GL system*

Enter All Product and Service Vendors
F5=Toggle MAIN/LAST menu Ctl-F5=TCL F9=END menu Retrn=Run menu option

*Bookkeeping
center work*

CONTRACT VENDOR FILE ENTRY

(1-1)

- 1. Vendor No. 1 Initial Date 12-31-95
- 2. Company Name US FARM SERVICE AGENCY FHA 10. Sort Code 1
- 3. Second Name 11. Taxpayer ID 534368587
- 4. Street Addr 1520 MARKET ST 12. Base Dept 0 Default-General
- 5. Mailing Addr 13. Contact(s)
- 6. City ST LOUIS 7. State MO
- 8. Zip Code 63103 14. Phone(s)

} set up

*} accumulative
Record*

| 23. Contracts | Origin | Principle | Payment | Term | Type | Int% | Last Paid |
|---------------|--------|-----------|-----------|--------|------|--------|-----------|
| 01) | 1 | 12-31-95 | 21,402.87 | 140.00 | 50 | 5.00 | 12-30-96 |
| 02) | 3 | 12-31-95 | 27,399.84 | 345.00 | 50 | 5.00 | 12-30-96 |
| 03) | 4 | 12-31-95 | 69,238.79 | 676.00 | 50 | 9.75 | 12-30-96 |
| 04) | 5 | 12-31-95 | 25,251.16 | 244.00 | 50 | M 9.75 | 12-31-96 |

CHANGE ?

p99907

(1-1)

VENDOR PERIODIC CONTRACT ENTRY

Contract No. 1
 2. Contract Date 12-31-95
 3. Vendor No. 1 US FARM SERVICE AGEN 50 mos 5.00%
 4. Vendor Reference 1
 5. Principle Amount \$21,402.87
 6. Expected Fin Chg .00
 7. Origination/Fees
 8. Post Dept 1 NOTES PAYABLE
 9. Contract Notes:
 10. Periodic Payment \$140.00
 11. Term 12. Type 13. Day 14. Rate
 15. First Due Date 01-31-96
 16. Last Paid Date 12-30-96
 17. Compute Interest Y
 18. Interest Paid 2,100.00
 19. Total Paid 2,100.00
 Estimated Balance 21,402.87
 20. Next Payment Due

===== PAYMENT HISTORY =====

25. Active Y

| 21. Trans | Date | Paid | Interest |
|--------------------|----------|--------|----------|
| 01) Payment Posted | 01-31-96 | 140.00 | 92.03 |
| 02) Payment Posted | 02-28-96 | 140.00 | 83.28 |
| 03) Payment Posted | 03-31-96 | 140.00 | 93.71 |
| 04) Payment Posted | 04-30-96 | 140.00 | 89.25 |
| 05) Payment Posted | 05-31-96 | 140.00 | 91.16 |
| 06) Payment Posted | 06-30-96 | 140.00 | 88.83 |
| 07) Payment Posted | 07-31-96 | 140.00 | 90.73 |
| 08) Payment Posted | 08-31-96 | 140.00 | 90.52 |

CHANGE ?

(1-1)

CONTRACTS PAYABLES TRANSACTIONS

Vendor Number 1 Vendor US FARM SERVICE AGENCY FHA
 2. Trans Date MM/DD/YY Summary General Paid= \$-21,075.00
 3. Transaction # Reference Payment Due
 4. Trans Amount 1 1 140.00 01-31-96
 5. Note/Memo 3 3 345.00 01-31-96
 4 OTTER #4 676.00 01-31-96
 5 OTTER #5 244.00 01-31-96

===== DISTRIBUTION =====

| 8. Contract/Ref | Date | Original | Payment | Due Date | PAY | Est Int |
|-----------------|------|----------|---------|----------|-----|---------|
|-----------------|------|----------|---------|----------|-----|---------|

BALANCE

information
 Enter payments!

P100d-

10:38:52 22 NOV 1997
VENDOR CONTRACT REPORT

FY: Jan,1996
v.970803

114

01. Process (A)ll, (S)electd or (R)ange of Vendors ? All Vendors
02. Enter Date for this Report ? 12-31-96
03. THIS PROMPT RESERVED
04. PRINT this Report (Y/N) ? Yes

CHANGE LINE (1-4), 'END' to Quit, or (E) to Continue ?

PRINTER SETTINGS:

- 1) Device : PRINTER
2) Printer : PAN-KXP1524
3) Mode : Draft
4) CPI: 15 5) LPI: 6
6) Orient : Portrait
Change (1-6) OR 'OK' ? OK

VENDOR CONTRACT REPORT as of: 12-31-96

Page 1

22 NOV 1997

2 FARM CREDIT

| Reference | Date | Original | Payment | Day | Last Pd | Next Due | Paid TD | Est Int | Est Bal |
|-----------|----------|------------|----------|-----|----------|----------|-----------|-----------|------------|
| 1 | 12-31-95 | 287,909.99 | 3,648.12 | 9th | 12-29-96 | 01-31-96 | 43,264.82 | 33,954.56 | 278,599.73 |
| 2 | 12-31-95 | 175,551.43 | 1,443.51 | st | 12-31-96 | 01-31-95 | 21,607.59 | 19,737.13 | 173,680.97 |
| | | 463,461.42 | 5,091.63 | | | | 64,872.41 | 53,691.69 | 452,280.70 |

3 OTTER BROTHERS

| Reference | Date | Original | Payment | Day | Last Pd | Next Due | Paid TD | Est Int | Est Bal |
|-----------|----------|-----------|----------|-----|----------|----------|-----------|----------|-----------|
| 1 | 12-31-95 | 59,567.67 | 1,255.00 | st | 12-31-96 | 01-31-96 | 18,825.00 | 8,167.66 | 48,910.33 |
| | | 59,567.67 | 1,255.00 | | | | 18,825.00 | 8,167.66 | 48,910.33 |

1 US FARM SERVICE AGENCY FHA
1520 MARKET ST
ST LOUIS, MO 63103

| Reference | Date | Original | Payment | Day | Last Pd | Next Due | Paid TD | Est Int | Est Bal |
|-----------|----------|------------|----------|------|----------|----------|-----------|-----------|------------|
| 1 | 12-31-95 | 21,402.87 | 140.00 | st | 12-30-96 | 01-31-96 | 2,100.00 | 2,100.00 | 21,402.87 |
| 3 | 12-31-95 | 27,399.84 | 345.00 | st | 12-30-96 | 01-31-96 | 5,175.00 | 5,175.00 | 27,399.84 |
| OTTER #4 | 12-31-95 | 69,238.79 | 676.00 | st | 12-30-96 | 01-31-96 | 10,212.00 | 8,233.58 | 67,260.37 |
| OTTER #5 | 12-31-95 | 25,251.16 | 244.00 | 31th | 12-31-96 | 01-31-96 | 3,588.00 | -2,358.83 | 19,304.33 |
| | | 143,292.66 | 1,405.00 | | | | 21,075.00 | 13,149.75 | 135,367.41 |

CONTRACT REPORT SUMMARY

Total Original Contract Amounts = \$666,321.75
Total Periodic Payments = \$7,751.63
Total Payments on Contracts = \$104,772.41
Estimated Interest to Date = \$75,009.10
Estimated Balance of Contracts = \$636,558.44

3 Vendor Records Processed.

Report Reconciled
to G-L system

10:41:57 22 NOV 1997
VENDOR CONTRACT HISTORY REPORT

FY: Jan,1996
v.970803

01. (S)ingle Contract or a (V)endor's Contracts ? Single Contract
02. Select CONTRACT or VENDOR Record to Process ? Contract 1 Selected
03. Enter Calendar Year for Report or 'ALL' ? 1996
04. Enter Date for the Report ? 11-22-97
05. PRINT this Report (Y/N) ? Yes

CHANGE LINE (1-5), 'END' to Quit, or (E) to Continue ?

PRINTER SETTINGS:

- 1) Device : PRINTER
2) Printer : PAN-KXP1524
3) Mode : Draft
4) CPI: 15 5) LPI: 6
6) Orient : Portrait
Change (1-6) OR 'OK' ? OK

ST LOUIS,MO 63103

Est. Finance Charge :

Other Charges/Fees :

Contact :

Periodic Payment : \$140.00

Phone :

Contract Term (months) : 50

Interest Rate : 5.00%

Vendor's Reference : 1

Contract Type :

Due Day :

CONTRACT HISTORY

| Date | Notation | Payment | Interest | Balance |
|----------|----------------|---------|----------|-----------|
| 01-31-96 | Payment Posted | 140.00 | 92.03 | 21,170.84 |
| 02-28-96 | Payment Posted | 140.00 | 83.28 | 20,947.56 |
| 03-31-96 | Payment Posted | 140.00 | 93.71 | 20,713.85 |
| 04-30-96 | Payment Posted | 140.00 | 89.25 | 20,484.60 |
| 05-31-96 | Payment Posted | 140.00 | 91.16 | 20,253.44 |
| 06-30-96 | Payment Posted | 140.00 | 88.83 | 20,024.61 |
| 07-31-96 | Payment Posted | 140.00 | 90.73 | 19,793.88 |
| 08-31-96 | Payment Posted | 140.00 | 90.52 | 19,563.36 |
| 09-30-96 | Payment Posted | 140.00 | 88.21 | 19,335.15 |
| 12-30-96 | Payment Posted | .00 | 904.56 | 18,430.59 |
| 12-31-96 | Payment Posted | 840.00 | 387.72 | 17,202.87 |

PROCESSING COMPLETE Press (E) to Return to Menu 100.00

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Bookkeeping
Center work

DATASCAN

18:54:24 22 NOV 1997

DATASCAN CONTRACTS RECEIVABLE MENU

DATA ENTRY

1. Enter Contract Customers
2. Enter Customer Contracts
3. Contract Payments and Transactions

REPORTS

4. Customer Contract Reports
5. Contract History Report
6. List Current Contracts
7. C/R Transactions Journal

UTILITIES

8. Enter C/R Control Codes
9. Perform Year End Processing

Enter Customer Client Base
F5=Toggle MAIN/LAST menu Ctl-F5=TCL F9=END menu Retrn=Run menu option

CONTRACT CUSTOMER ENTRY

- | | | |
|-----------------|--------------|---------------|
| 1. Cust No. | 1 | Setup Date |
| 2. Cust Name | | 12. Sort Code |
| 3. Second Name | | 13. Dept |
| 4. Street Addr | | 14. Salesman |
| 5. Mail Address | | 15. Territory |
| 6. City | 7. State | 16. Tax Rate |
| 8. Zip Code | | 17. Apply Fin |
| 9. Contact(s) | 10. Phone(s) | |

===== CONTRACTS =====

| 28. Ref# | Date | Principle | Payment | Term | Type | Int% | Paid | Balance |
|----------|------|-----------|---------|------|------|------|------|---------|
|----------|------|-----------|---------|------|------|------|------|---------|

You are adding a new item

System similar
in all respects
to Contracts/Leases
payable system

(1-1)

System maintainable
as independant or GL
system or integrated
with GL system

P103 17-

Variable Forecast/Tracking

Advantages

This is a financial modeling system which utilizes key variables, and allows multiple use of a business model for forecasting and the tracking of actual (numerous) periods results without modification of that model as long as fundamental conditions remain the same. This system works for any business from the very simple to the complex. We have developed examples as the best way to demonstrate the use of the system and we will continue to develop examples that will be made available to you.

This system is also structured to allow for determination of all BS/P&L and cash (funds) elements of the model and the calculation of the Net Change in Working Capital using those elements of change.

The system can be more easily set up, reviewed, adjusted, and reviewed again, etc. to get it right than spreadsheet systems.

Definitions

Forecast: A target or prediction of the elements of operating income and budgeted/planned uses of working capital that calculates to operating income, net income, and the Net Change in Working Capital.

Tracking: The use of a financial model to predict income statement elements and the Net Change in Working Capital using actual period key (sales, etc.) variables.

Setup Rules

1. Every model should portray expected conditions as to Departments, locations, etc., and a continuing mode of operations for the period being modeled. If a business is seasonal with significant changes in each season, then several seasonal models might be completed—or just one model for the whole year.
2. Operating business models are of two types:
 - a. Conforming Model: one that conforms to the current GL and Report Structures.
 - b. Anticipatory Model: one that sets up subdivisions based on best data and assumptions and reconstructed reports. This model can be used to help see and understand the benefits of systems changes.

Operations

The setup and operation involves only a few steps best learned from examples (pages 27 and 28).

P409/d)

Variable Forecast/Tracking Steps/Process

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Pay SET UP

Time

- 27 * Enter Customers + Receivables Menu
 - o Set up Customer Number etc
 - o Enter AR Control Codes **
- 27 Datascan Working Capital + Projections Menu
 - o Make sales posting code entries
- * Assumes service center client account not utilizing AR function.

} 5 minute
Variable

ENTER

- 28 Enter Customers + Receivable Menu
 - o Enter Batch Customer Invoices
- 27 Datascan Working Capital + Projections Menu
 - o Forecast/Projections Report (Side)

3 minutes
3 minutes

** ACCOUNTS RECEIVABLE CONTROL ACCOUNTS (1-1)

| 1. CTRL.ID | AR.CONTROLS | Client Name | The Retail Company |
|--|--------------------------|--|-----------------------|
| 2. Ledger Cash Account | 5000 - Owner Loans/Draws | 3. Default Checkbook | 1 |
| 4. Receivables Account | 5000 - Owner Loans/Draws | | Default General |
| 5. Sales Tax Account | 5000 - Owner Loans/Draws | 6. Sales Tax | .00% |
| 7. Misc Charges Account | 5000 - Owner Loans/Draws | 14. Base A/R Dept | 99 |
| 8. Shipping/Frt Account | 5000 - Owner Loans/Draws | | Forecast Tracking Shu |
| 9. Discount Taken Acct | 5000 - Owner Loans/Draws | 15. Fin Charge | % |
| 10. CR/DR Memo Account | 5000 - Owner Loans/Draws | 16. Min Charge | |
| 11. Deposits on Account | 5000 - Owner Loans/Draws | 17. Late Over 120 Days | |
| 12. Finance Charge Acct | 5000 - Owner Loans/Draws | | |
| 13. Default Job Cost Code | - JC Module not Availa | | |
| 18. Next Invoice Sequence No. | 3 | *Note: Sales Codes now located in separate file. | |
| 19. Usual Invoice Entry Screen | INVOICE.ENTRYP | | |
| 20. Print Company Name on Statements | Y | sets up correct ENTRY SCREEN | |
| 21. Alternate Invoice/Statement Name | | | |
| 22. Customer Statements Sales Header (2 Lines Max) | | | |

P105 07

The Retail Company
13:21:02 24 OCT 1998
FORCAST/PROJECTIONS REPORT

FY: Jan, 1996
v.980205

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01. Start Date for Report Period ? 12-31-96 } one invoice *
02. End Date for Report Period ? 12-31-96 }
03. THIS LINE RESERVED
04. PRINT this Report (Y/N) ? Yes

CHANGE LINE (1-4), 'END' to Quit, or (E) to Continue ?

* A series of "dated"
invoices can be
reported on

PRINTER SETTINGS:

- 1) Device : PRINTER
2) Printer : PAN-KXP1524
3) Mode : Draft
4) CPI: 20 5) LPI: 6
6) Orient : Portrait
Change (1-6) OR 'OK' ? OK.

SALES POSTING CODE ENTRY

(1-1)

1. Sales Code 1 Client Name The Retail Company
2. Description THE RETAIL COMPANY
3. Post Department 99 Forecast Tracking Shunt ←
4. Sales Account 6100 Sales
5. Job Cost Code

OPTIONAL COST OF SALES INFORMATION

6. Cost Acct Not Selected.
7. Inv Acct Not Selected.
8. Cost as % of Sale

===== STATISTICAL PROJECTION CONTROL =====

| 9. Cost Acct | Account Name | Amount | P/D | *Note: |
|--------------|---------------------------|----------|-----|---------------------------|
| 01) | 7000 Merchandise Cost | 58.00 | P | Amount figure represents: |
| 02) | 8110 Sales Commissions | 1.00 | P | (P)ercent of Sales |
| 03) | 8220 Sales/B&O Taxes | .62 | P | (D)irect Cost per Unit |
| 04) | 8210 Payroll Taxes | .15 | P | |
| 05) | 8210 Payroll Taxes | 2875.00 | D | |
| 06) | 8911 Advertising | 10.00 | P | |
| 07) | 8100 Salaries & Wages | 19170.00 | D | |
| 08) | 8180 Corporate Officer Sa | 2500.00 | D | |
| 09) | 8310 Group Health Insur | 200.00 | D | |
| 10) | 8320 Group Life Insurance | 100.00 | D | |
| 11) | 8310 Group Health Insur | 166.00 | D | |
| 12) | 8401 Rent - Real Estate | 8750.00 | D | |
| 13) | 8412 Telephone/Telepage | 1000.00 | D | |
| 14) | 8420 Utilities | 540.00 | D | |
| 15) | 8520 Professional Service | 540.00 | D | |
| 16) | 8600 Auto/Truck | 3290.00 | D | |
| 17) | 8931 Donations | 83.00 | D | |
| 18) | 8936 Office Supplies | 375.00 | D | |
| 19) | 8941 Liability Insurance | 500.00 | D | |
| 20) | 8999 Miscellaneous | 1040.00 | D | |
| 21) | 8995 Bad Debts | 83.00 | D | |

P1064

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Page 3

The Retail Company
Forecast/Projections Report
For Period of 12-31-96 to 12-31-96

OCT 1998

REVENUE
Income

| | | |
|-----------------------|--------------|---------|
| 6100 Sales | 1,900,000.00 | 100.00% |
| | ----- | |
| GROSS INCOME | 1,900,000.00 | 100.00% |
| | ----- | |
| Direct Cost of Sales | | |
| 7000 Merchandise Cost | 1,102,000.00 | 58.00% |
| | ----- | |
| TOTAL COSTS | 1,102,000.00 | 58.00% |
| | ===== | |
| NET REVENUES | 798,000.00 | 42.00% |

OPERATING EXPENSES

Salary/Wages/taxes/benefits

| | | |
|-------------------------------|------------|--------|
| 8100 Salaries & Wages | 230,040.00 | 12.11% |
| 8110 Sales Commissions | 19,000.00 | 1.00% |
| 8180 Corporate Officer Salary | 30,000.00 | 1.58% |
| 8210 Payroll Taxes | 37,350.00 | 1.97% |
| 8310 Group Health Insur | 4,392.00 | .23% |
| 8320 Group Life Insurance | 1,200.00 | .06% |

Total Salary/Wages/taxes/ 321,982.00 16.95%

Other Operating Expense

| | | |
|---------------------------|------------|--------|
| 8220 Sales/B&O Taxes | 11,780.00 | .62% |
| 8401 Rent - Real Estate | 105,000.00 | 5.53% |
| 8412 Telephone/Telepage | 12,000.00 | .63% |
| 8420 Utilities | 6,480.00 | .34% |
| 8520 Professional Service | 6,480.00 | .34% |
| 8600 Auto/Truck | 39,480.00 | 2.08% |
| 8911 Advertising | 190,000.00 | 10.00% |
| 8931 Donations | 996.00 | .05% |
| 8936 Office Supplies | 4,500.00 | .24% |
| 8941 Liability Insurance | 6,000.00 | .32% |
| 8999 Miscellaneous | 12,480.00 | .66% |

Total Other Operating Exp 395,196.00 20.80%

TOTAL OPERATING EXPENSES 717,178.00 37.75%

OPERATING INCOME/(LOSS) 80,822.00 4.25%

OTHER INCOME AND EXPENSE

Other Expense

8995 Bad Debts 996.00 .05%

TOTAL OTHER EXPENSES 996.00 .05%

NET INCOME/(LOSS) 79,826.00 4.20%

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P107 d) -

(The Retail Company)

PRINTED INVOICE ENTRY

(I-1)

| | | | |
|-----------------|----------------------|--------------------|-------------------|
| 1. Inv/Ref No. | 3 | 9. Invoice Amt | 2,000,000.00 |
| 2. Invoice Date | 01-01-97 | 10. Ref/P.O. No. | |
| 3. Cust No. | 1 THE RETAIL COMPANY | 11. Work Order No. | |
| 4. Ship To: | THE RETAIL COMPANY | 12. Salesman | |
| 5. Address | | 13. Post Dept. | 99 Forecast Track |
| 6. City | 7. St 8. Zip | 14. Post Job | |

===== D I S T R I B U T I O N =====

| 15. Code | Qty | Description | Each | Extend | Tax |
|----------|-----|-------------|------|------------|-------|
| 01) | 1 | 12.00 | | | |
| 02) | 2 | 12.00 | | | |
| | | | | 000,000.00 | Y |
| | | | | | .00 Y |

Sales Total 2,000,000.00

Sales Tax .00

21. Misc Charges

22. Freight

INVOICE TOTAL 2,000,000.00

CHANGE (Line # or (E) to Accept) ?

This Forecast/Projections Report is a
Forecast for 1997 sales and
 net income etc and change in
 working capital

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The Retail Company
Forecast/Projections Report
For Period of 01-01-97 to 01-01-97

Page 1

NOV 1998

Code 1 Posted to #6100-Sales

Totaling \$2,000,000.00 - 12.00 Units.

Costing Distribution:

| | | |
|-------------------------------|--------------|-----------------|
| 7000 Merchandise Cost | 1,160,000.00 | (58.00%) |
| 8110 Sales Commissions | 20,000.00 | (1.00%) |
| 8220 Sales/B&O Taxes | 12,400.00 | (.62%) |
| 8210 Payroll Taxes | 3,000.00 | (.15%) |
| 8210 Payroll Taxes | 34,500.00 | (2875.00/unit) |
| 8911 Advertising | 200,000.00 | (10.00%) |
| 8100 Salaries & Wages | 230,040.00 | (19170.00/unit) |
| 8180 Corporate Officer Salary | 30,000.00 | (2500.00/unit) |
| 8310 Group Health Insur | 2,400.00 | (200.00/unit) |
| 8320 Group Life Insurance | 1,200.00 | (100.00/unit) |
| 8310 Group Health Insur | 1,992.00 | (166.00/unit) |
| 8401 Rent - Real Estate | 105,000.00 | (8750.00/unit) |
| 8412 Telephone/Telepage | 12,000.00 | (1000.00/unit) |
| 8420 Utilities | 6,480.00 | (540.00/unit) |
| 8520 Professional Service | 6,480.00 | (540.00/unit) |
| 8600 Auto/Truck | 39,480.00 | (3290.00/unit) |
| 8931 Donations | 996.00 | (83.00/unit) |
| 8936 Office Supplies | 4,500.00 | (375.00/unit) |
| 8941 Liability Insurance | 6,000.00 | (500.00/unit) |
| 8999 Miscellaneous | 12,480.00 | (1040.00/unit) |
| 8995 Bad Debts | 996.00 | (83.00/unit) |

Costing Sub Total \$1,889,944.00 (94.50%)

→ Contribution 110,056.00

Code 2 Posted to #8999-Miscellaneous

Totaling \$.00 - 12.00 Units.

Costing Distribution:

| | | |
|--------------------------|-----------|----------------|
| 5800 Dividends Paid | 48,000.00 | (4000.00/unit) |
| 8941 Liability Insurance | .00 | (.00/unit) |
| 8401 Rent - Real Estate | .00 | (.00/unit) |
| 8911 Advertising | .00 | (.00/unit) |
| 8420 Utilities | .00 | (.00/unit) |
| 8412 Telephone/Telepage | .00 | (.00/unit) |
| 8420 Utilities | .00 | (.00/unit) |
| 8402 Rep/Maint Real Est | .00 | (.00/unit) |
| 8210 Payroll Taxes | .00 | (.00/unit) |
| 8401 Rent - Real Estate | .00 | (.00/unit) |

Costing Sub Total \$48,000.00 x%

→ Contribution (48,000.00)

1 Invoices Processed for selected period.

This shows each sales code (separate part) and the contribution (+ or - of same toward net working capital increases or decreases)

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P10907—

The Retail Company
Forecast/Procections Report
For Period of 01-01-97 to 01-01-97

07 NOV 1998

REVENUE
Income

6100 Sales 2,000,000.00 100.00%

GROSS INCOME 2,000,000.00 100.00%

Direct Cost of Sales

7000 Merchandise Cost 1,160,000.00 58.00%

TOTAL COSTS 1,160,000.00 58.00%

NET REVENUES 840,000.00 42.00%

OPERATING EXPENSES

Salary/Wages/taxes/benefits

8100 Salaries & Wages 230,040.00 11.50%

8110 Sales Commissions 20,000.00 1.00%

8180 Corporate Officer Salary 30,000.00 1.50%

8210 Payroll Taxes 37,500.00 1.88%

8310 Group Health Insur 4,392.00 .22%

8320 Group Life Insurance 1,200.00 .06%

Total Salary/Wages/taxes/ 323,132.00 16.16%

Other Operating Expense

8999 Miscellaneous .00 0.00%

8220 Sales/8&0 Taxes 12,400.00 .62%

8401 Rent - Real Estate 105,000.00 5.25%

8402 Rep/Maint Real Est .00 0.00%

8412 Telephone/Telepage 12,000.00 .60%

8420 Utilities 6,480.00 .32%

8520 Professional Service 6,480.00 .32%

8600 Auto/Truck 39,480.00 1.97%

8911 Advertising 200,000.00 10.00%

8931 Donations 996.00 .05%

8936 Office Supplies 4,500.00 .23%

8941 Liability Insurance 6,000.00 .30%

8999 Miscellaneous 12,480.00 .62%

Total Other Operating Exp 405,816.00 20.29%

TOTAL OPERATING EXPENSES 728,948.00 36.45%

OPERATING INCOME/(LOSS) 111,052.00 5.55%

OTHER INCOME AND EXPENSE

Other Expense

8995 Bad Debts 996.00 .05%

TOTAL OTHER EXPENSES 996.00 .05%

NET INCOME/(LOSS) 110,056.00 5.50%

NON INCOME CASH FLOW

5800 Dividends Paid 48,000.00 2.40%

The Retail Company
Forecast/Procections Report
For Period of 01-01-97 to 01-01-97

Page

TOTAL NON INCOME CASH FLO 48,000.00 2.40%

CHNGE IN WORKNG CAPITAL 62,056.00 3.10%

Forecast for
1997

32

1110 d -

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(The Retail Company.)

(1-1)

GENERAL LEDGER TRANSACTION ENTRY

1. Reference 10
 2. Trans Date 12-31-97
 3. Post Month 12
 4. MPB Type 8
 5. Department 0 Client Data-Entry/Transfr

6. Memo FORECAST FOR 1997-SALES OF 2 MILLION

| 7. GL Acct Dp Acct Name | Dept Name | Amount |
|-------------------------------------|------------------------|---------------|
| 01) 6100 0 Sales | Client Data-Entry/Tran | -2,000,000.00 |
| 02) 7000 0 Merchandise Cost | Client Data-Entry/Tran | 1,160,000.00 |
| 03) 8110 0 Sales Commission | Client Data-Entry/Tran | 20,000.00 |
| 04) 8220 0 Sales/B&O Taxes | Client Data-Entry/Tran | 12,400.00 |
| 05) 8210 0 Payroll Taxes | Client Data-Entry/Tran | 3,000.00 |
| 06) 8210 0 Payroll Taxes | Client Data-Entry/Tran | 34,500.00 |
| 07) 8911 0 Advertising | Client Data-Entry/Tran | 200,000.00 |
| 08) 8100 0 Salaries & Wages | Client Data-Entry/Tran | 230,040.00 |
| 09) 8180 0 Corporate Officer Salary | Client Data-Entry/Tran | 30,000.00 |
| 10) 8310 0 Group Health Insur | Client Data-Entry/Tran | 2,400.00 |
| 11) 8320 0 Group Life Insurance | Client Data-Entry/Tran | 1,200.00 |
| 12) 8310 0 Group Health Insur | Client Data-Entry/Tran | 1,992.00 |
| 13) 8401 0 Rent - Real Estate | Client Data-Entry/Tran | 105,000.00 |
| 14) 8412 0 Telephone/Telepage | Client Data-Entry/Tran | 12,000.00 |
| 15) 8420 0 Utilities | Client Data-Entry/Tran | 6,480.00 |
| 16) 8520 0 Professional Service | Client Data-Entry/Tran | 6,480.00 |
| 17) 8600 0 Auto/Truck | Client Data-Entry/Tran | 39,480.00 |
| 18) 8931 0 Donations | Client Data-Entry/Tran | 996.00 |
| 19) 8936 0 Office Supplies | Client Data-Entry/Tran | 4,500.00 |
| 20) 8941 0 Liability Insurance | Client Data-Entry/Tran | 6,000.00 |
| 21) 8999 0 Miscellaneous | Client Data-Entry/Tran | 12,480.00 |
| 22) 8995 0 Bad Debts | Client Data-Entry/Tran | 996.00 |

This is the 1997 Forecast entered as a Budget To get comparative analysis

07 NOV 1998

The Retail Company.
Comparative Budget Report
Division RGRT ANALYTICAL REPORT
For Month of December, 1997

REVENUES

Revenue

6100 Sales
6110 Retail Taxable Sales

TOTAL Revenue

Direct Costs

7000 Merchandise Cost

TOTAL Direct Costs

NET REVENUES

EXPENSES

Salary/Wages/taxes/benefits

8100 Salaries & Wages
8110 Sales Commission
8180 Corporate Officer Salary
8210 Payroll Taxes
8310 Group Health Insur
8320 Group Life Insurance
8340 Pensions/Retirement

TOTAL Salary/Wages/taxes/benefits

Other Taxes

8220 Sales/B&O Taxes

TOTAL Other Taxes
Other Operating Expense

8401 Rent - Real Estate
8412 Telephone/Telepage
8420 Utilities
8520 Professional Service
8600 Auto/Truck
8911 Advertising
8931 Donations
8934 Interest/Bank Chrg
8936 Office Supplies
8941 Liability Insurance
8999 Miscellaneous

TOTAL Other Operating Expense

Total Expenses

OPERATING INCOME

OTHER INCOME & EXPENSE
Other Expenses

| Month | Budget | Diff | Year-10 | Budget | Diff |
|--------------|--------------|---------------|--------------|--------------|---------------|
| .00 | 2,000,000.00 | -2,000,000.00 | .00 | 2,000,000.00 | -2,000,000.00 |
| 1,800,000.00 | .00 | 1,800,000.00 | 1,800,000.00 | .00 | 1,800,000.00 |
| 1,800,000.00 | 2,000,000.00 | -200,000.00 | 1,800,000.00 | 2,000,000.00 | -200,000.00 |
| 1,048,560.00 | 1,160,000.00 | -111,440.00 | 1,048,560.00 | 1,160,000.00 | -111,440.00 |
| 1,048,560.00 | 1,160,000.00 | -111,440.00 | 1,048,560.00 | 1,160,000.00 | -111,440.00 |
| 8751,440.00 | 8840,000.00 | -88,560.00 | 8751,440.00 | 8840,000.00 | -88,560.00 |

| Month | Budget | Diff | Year-10 | Budget | Diff |
|-------------|-------------|------------|-------------|-------------|------------|
| 220,000.00 | 230,040.00 | -10,040.00 | 220,000.00 | 230,040.00 | -10,040.00 |
| 18,000.00 | 20,000.00 | -2,000.00 | 18,000.00 | 20,000.00 | -2,000.00 |
| 30,000.00 | 30,000.00 | .00 | 30,000.00 | 30,000.00 | .00 |
| 35,700.00 | 3,000.00 | 32,700.00 | 35,700.00 | 3,000.00 | 32,700.00 |
| 2,500.00 | 2,400.00 | 100.00 | 2,500.00 | 2,400.00 | 100.00 |
| 1,300.00 | 1,200.00 | 100.00 | 1,300.00 | 1,200.00 | 100.00 |
| 2,000.00 | .00 | 2,000.00 | 2,000.00 | .00 | 2,000.00 |
| 1309,500.00 | 1284,640.00 | 24,860.00 | 1309,500.00 | 1284,640.00 | 24,860.00 |
| 11,440.00 | 12,400.00 | -1,060.00 | 11,440.00 | 12,400.00 | -1,060.00 |
| 111,340.00 | 112,400.00 | -1,060.00 | 111,340.00 | 112,400.00 | -1,060.00 |
| 105,000.00 | 105,000.00 | .00 | 105,000.00 | 105,000.00 | .00 |
| 10,000.00 | 12,000.00 | -2,000.00 | 10,000.00 | 12,000.00 | -2,000.00 |
| 7,000.00 | 4,480.00 | 2,520.00 | 7,000.00 | 4,480.00 | 2,520.00 |
| 7,000.00 | 4,480.00 | 2,520.00 | 7,000.00 | 4,480.00 | 2,520.00 |
| 35,000.00 | 39,480.00 | -4,480.00 | 35,000.00 | 39,480.00 | -4,480.00 |
| 190,000.00 | 200,000.00 | -10,000.00 | 190,000.00 | 200,000.00 | -10,000.00 |
| 500.00 | 996.00 | -496.00 | 500.00 | 996.00 | -496.00 |
| 2,200.00 | .00 | 2,200.00 | 2,200.00 | .00 | 2,200.00 |
| 3,600.00 | 4,500.00 | -900.00 | 3,600.00 | 4,500.00 | -900.00 |
| 4,000.00 | 4,000.00 | .00 | 4,000.00 | 4,000.00 | .00 |
| 10,000.00 | 12,480.00 | -2,480.00 | 10,000.00 | 12,480.00 | -2,480.00 |
| 1376,300.00 | 1393,416.00 | -17,116.00 | 1376,300.00 | 1393,416.00 | -17,116.00 |
| 1697,140.00 | 1692,456.00 | 4,684.00 | 1697,140.00 | 1692,456.00 | 4,684.00 |
| 154,300.00 | 147,544.00 | -6,756.00 | 154,300.00 | 147,544.00 | -6,756.00 |

The Retail Company.
Comparative Budget Report
Division RGRT ANALYTICAL REPORT
For Month of December, 1997

07 NOV 1998

| Month | Budget | Diff | Year-10 | Budget | Diff |
|------------|------------|-----------|------------|------------|-----------|
| .00 | .00 | .00 | .00 | .00 | .00 |
| 500.00 | 996.00 | -496.00 | 500.00 | 996.00 | -496.00 |
| 1500.00 | 1996.00 | -496.00 | 1500.00 | 1996.00 | -496.00 |
| (1500.00) | (1996.00) | 496.00 | (1500.00) | (1996.00) | 496.00 |
| 153,800.00 | 146,518.00 | -7,282.00 | 153,800.00 | 146,518.00 | -7,282.00 |

The Retail Company.
12:21:10 07 NOV 1998
PRIOR YEAR/BUDGET COMPARATIVE REPORT

01. Select (P)rior or (B)udget Report (P/B) ? BUDGET
02. Enter DEPARTMENT No. for Report ? Division RGRT ANALYTICAL
03. Enter Report MONTH (1-12) ? December, 1997
04. Include Account Numbers (Y/N) ? Yes
05. PRINT this Report (Y/N) ? Yes

CHANGE LINE (1-5), 'END' to Quit, or (C) to Continue ?

PRINTER SETTINGS:

- 1) Device : PRINTER
2) Printer : PAM-KXP1524
3) Mode : Draft
4) CPI: 20 5) LPI: 6
6) Orient : Portrait
Change (1-6) OR 'OK' ? OK

P1120

(The Retail Company)

PRINTED INVOICE ENTRY

(I-1)

- 1. Inv/Ref No. 2
- 2. Invoice Date 12-31-97
- 3. Cust No. 1 THE RETAIL COMPANY
- 4. Ship To: THE RETAIL COMPANY
- 5. Address
- 6. City 7. St 8. Zip

- 9. Invoice Amt 1,800,000.00
- 10. Ref/P.O. No.
- 11. Work Order No.
- 12. Salesman
- 13. Post Dept. 99 Forecast Track
- 14. Post Job

===== DISTRIBUTION =====

15. Code Qty Description
01) 1 12.00

Each Extend Tax
1,800,000.00 Y

/
12 months

Enter actual
1997 sales

Sales Total 1,800,000.00
Sales Tax .00
21. Misc Charges
22. Freight
INVOICE TOTAL 1,800,000.00

CHANGE (Line # or (E) to Accept) ?

This Forecast/Projections report is a tracking report using actual 1997 sales and the financial model taken from 1996 data.

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The Retail Company
Forecast/Projections Report
For Period of 12-31-97 to 12-31-97

Page 3

25 OCT 1998

REVENUE

Income

| | | |
|------------|--------------|---------|
| 6100 Sales | 1,800,000.00 | 100.00% |
|------------|--------------|---------|

| | | |
|--------------|--------------|---------|
| GROSS INCOME | 1,800,000.00 | 100.00% |
|--------------|--------------|---------|

Direct Cost of Sales

| | | |
|-----------------------|--------------|--------|
| 7000 Merchandise Cost | 1,044,000.00 | 58.00% |
|-----------------------|--------------|--------|

| | | |
|-------------|--------------|--------|
| TOTAL COSTS | 1,044,000.00 | 58.00% |
|-------------|--------------|--------|

| | | |
|--------------|------------|--------|
| NET REVENUES | 756,000.00 | 42.00% |
|--------------|------------|--------|

OPERATING EXPENSES

Salary/Wages/taxes/benefits

| | | |
|-----------------------|------------|--------|
| 8100 Salaries & Wages | 230,040.00 | 12.78% |
|-----------------------|------------|--------|

| | | |
|------------------------|-----------|-------|
| 8110 Sales Commissions | 18,000.00 | 1.00% |
|------------------------|-----------|-------|

| | | |
|-------------------------------|-----------|-------|
| 8180 Corporate Officer Salary | 30,000.00 | 1.67% |
|-------------------------------|-----------|-------|

| | | |
|--------------------|-----------|-------|
| 8210 Payroll Taxes | 37,200.00 | 2.07% |
|--------------------|-----------|-------|

| | | |
|-------------------------|----------|------|
| 8310 Group Health Insur | 4,392.00 | .24% |
|-------------------------|----------|------|

| | | |
|---------------------------|----------|------|
| 8320 Group Life Insurance | 1,200.00 | .07% |
|---------------------------|----------|------|

| | | |
|---------------------------|------------|--------|
| Total Salary/Wages/taxes/ | 320,832.00 | 17.82% |
|---------------------------|------------|--------|

Other Operating Expense

| | | |
|----------------------|-----------|------|
| 8220 Sales/B&O Taxes | 11,160.00 | .62% |
|----------------------|-----------|------|

| | | |
|-------------------------|------------|-------|
| 8401 Rent - Real Estate | 105,000.00 | 5.83% |
|-------------------------|------------|-------|

| | | |
|-------------------------|-----------|------|
| 8412 Telephone/Telepage | 12,000.00 | .67% |
|-------------------------|-----------|------|

| | | |
|----------------|----------|------|
| 8420 Utilities | 6,480.00 | .36% |
|----------------|----------|------|

| | | |
|---------------------------|----------|------|
| 8520 Professional Service | 6,480.00 | .36% |
|---------------------------|----------|------|

| | | |
|-----------------|-----------|-------|
| 8600 Auto/Truck | 39,480.00 | 2.19% |
|-----------------|-----------|-------|

| | | |
|------------------|------------|--------|
| 8911 Advertising | 180,000.00 | 10.00% |
|------------------|------------|--------|

| | | |
|----------------|--------|------|
| 8931 Donations | 996.00 | .06% |
|----------------|--------|------|

| | | |
|----------------------|----------|------|
| 8936 Office Supplies | 4,500.00 | .25% |
|----------------------|----------|------|

| | | |
|--------------------------|----------|------|
| 8941 Liability Insurance | 6,000.00 | .33% |
|--------------------------|----------|------|

| | | |
|--------------------|-----------|------|
| 8999 Miscellaneous | 12,480.00 | .69% |
|--------------------|-----------|------|

| | | |
|---------------------------|------------|--------|
| Total Other Operating Exp | 384,576.00 | 21.37% |
|---------------------------|------------|--------|

| | | |
|--------------------------|------------|--------|
| TOTAL OPERATING EXPENSES | 705,408.00 | 39.19% |
|--------------------------|------------|--------|

| | | |
|-------------------------|-----------|-------|
| OPERATING INCOME/(LOSS) | 50,592.00 | 2.81% |
|-------------------------|-----------|-------|

OTHER INCOME AND EXPENSE

Other Expense

| | | |
|----------------|--------|------|
| 8995 Bad Debts | 996.00 | .06% |
|----------------|--------|------|

| | | |
|----------------------|--------|------|
| TOTAL OTHER EXPENSES | 996.00 | .06% |
|----------------------|--------|------|

| | | |
|-------------------|-----------|-------|
| NET INCOME/(LOSS) | 49,596.00 | 2.76% |
|-------------------|-----------|-------|

| | | |
|-------------------|-----------|-------|
| NET INCOME/(LOSS) | 49,596.00 | 2.76% |
|-------------------|-----------|-------|

NON INCOME CASH FLOW

| | | |
|---------------------|-----------|-------|
| 5800 Dividends Paid | 48,000.00 | 2.67% |
|---------------------|-----------|-------|

| | | |
|---------------------------|-----------|-------|
| TOTAL NON INCOME CASH FLO | 48,000.00 | 2.67% |
|---------------------------|-----------|-------|

| | | |
|-------------------------|----------|------|
| CHNGE IN WORKNG CAPITAL | 1,596.00 | .09% |
|-------------------------|----------|------|

Press (E) to continue

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P 114 d) —

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Banker Reports

Over the Counter systems (in the experiences with my clients) are important for Business task operations, but fall short of rendering GL financial Report data that can be taken to a bank.

There would be many reasons for this. The SAS system will make possible the efficient production of

The Controller's 1/2 Report series.

This series of reports plus the following supplemental sub system data would in my opinion provide important information for the owner and bankers:

Controller's Reports

- Summary Fixed Asset Mgmt Report
- Itemized cost etc by year
- Summary Depreciation Schedule
- Contracts Receivable/Payable
- Vendor Contract Report

Especially if all this information agrees with controlling accounts in Controller's Reports (Except for summary depreciation)

Now add a Forecast to the above mix and the owner/banker will better understand and appreciate financial condition, results of operations and the future etc

G DataScan Computer Accounting System (algorithms) Elements

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Page

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General Ledger - Enter / maintain
Type / group - Enter / maintain

117
117

Department - Enter / maintain
Division - Enter / maintain

118

General Ledger - Chart of accounts

120
120

Balance Sheet titles
Profit + Loss group Headers / Footers

115

(I-1)

ENTER AND MAINTAIN LEDGER CHART OF ACCOUNTS

1. G/L Acct. No. 1005 Client Name The Retail Company
2. Account Name Cash in Bank
3. Type/Group 111 - Current Assets

Account TYPE/Group Conventions:

- | | |
|----------------------------|--------------------------------|
| 1xx - Assets | 6xx - Cost Of Sales/Goods Sold |
| 2xx - Liabilities | 7xx - Expenses |
| 3xx - Capital/Owner Equity | 8xx - Other Income |
| 4xx - Income | 9xx - Other Expenses |
| 5xx - Sales Adjustments | 10xx - Non Tax Deductions |

General Ledger
Enter + Maintain

CHANGE ?

(I-1)

CHART OF ACCOUNTS TYPE/GROUP CODE ENTRY

1. Type/Group Code 111 Client Name The Retail Company
2. Type Description Current Assets
3. Account Class (Dr/Cr) DR
4. Control Group Footer

Type/Group Coding Conventions:

- | | |
|----------------------------|--------------------------------|
| 1xx - Assets | 6xx - Cost Of Sales/Goods Sold |
| 2xx - Liabilities | 7xx - Expenses |
| 3xx - Capital/Owner Equity | 8xx - Other Income |
| 4xx - Income | 9xx - Other Expenses |
| 5xx - Sales Adjustments | 10xx - Non Tax Deductions |

Type/group
Enter/maintain

CHANGE ?

(I-1)

DEPARTMENT ENTRY AND LEDGER INSPECTION

Current Year Period Entries

1. Dept Number 0 Client Name The Retail Company
 2. Department Name Client Data-Entry/Transfr

Department
 Enter + Maintain

3. G/L Account 01> 5600 Retained Earnings
 Active Account 1

| Carry Forward | -178,000.00 | End of Period | Forward Year Viewing Only |
|---------------|-------------|---------------|---------------------------|
| Period 1 | | <178,000.00> | Period 13 |
| Period 2 | | <178,000.00> | Period 14 |
| Period 3 | | <178,000.00> | Period 15 |
| Period 4 | | <178,000.00> | Period 16 |
| Period 5 | | <178,000.00> | Period 17 |
| Period 6 | | <178,000.00> | Period 18 |
| Period 7 | | <178,000.00> | Period 19 |
| Period 8 | | <178,000.00> | Period 20 |
| Period 9 | | <178,000.00> | Period 21 |
| Period 10 | | <178,000.00> | Period 22 |
| Period 11 | | <178,000.00> | Period 23 |
| Period 12 | .00 | <178,000.00> | Period 24 |

CHANGE ?

(I-1)

DIVISION ENTRY

1. Division 1 Client Name The Retail Company
 Control DIV
 3. Division Name CONTROLLERSHIP SYSTEM

4. Department Department Name
 01> 0 Client Data-Entry/Transfr
 02> 1 Best Source/Accrual Adj

Division
 Enter/maintain

CHANGE ?

100 Record(s) SSelected.

The Retail Company
Working Capital Chart of Accounts
Report Date 11-11-99

Page 1

| ACCT# | ACCT.NAME..... | WORK. | WORK DESC..... |
|-------|---------------------------|-------|----------------------------|
| 1001 | Cash on Hand | 111 | Current Assets |
| 1005 | Cash in Bank | 111 | Current Assets |
| 1100 | Savings & Investment | 111 | Current Assets |
| 1200 | Receivables | 1001 | Sources/Uses |
| 1300 | Inventory | 1001 | Sources/Uses |
| 1400 | Prepaid Expenses | 111 | Current Assets |
| 1500 | Deposits | 111 | Current Assets |
| 2110 | Buildings | 121 | Fixed Assets |
| 2120 | Equipment | 121 | Fixed Assets |
| 2130 | Vehicles | 1001 | Sources/Uses |
| 2140 | Office Furniture & Equip | 1001 | Sources/Uses |
| 2150 | Computers & Accessories | 1001 | Sources/Uses |
| 2899 | Accumulated Depreciation | 1001 | Sources/Uses |
| 2900 | Land | 121 | Fixed Assets |
| 3100 | Leasehold Improvements | 131 | Other Assets |
| 3109 | Amortization | 131 | Other Assets |
| 3200 | Goodwill | 131 | Other Assets |
| 3209 | GW Amortization | 1001 | Sources/Uses |
| 4100 | Accounts Payable | 1001 | Sources/Uses |
| 4200 | Accrued Liabilities | 201 | Current Liabilities |
| 4220 | Accrued Payroll | 201 | Current Liabilities |
| 4230 | Accrued Payroll Taxes | 1001 | Sources/Uses |
| 4250 | Accrued Sales Taxes | 1001 | Sources/Uses |
| 4260 | Accrued FIT | 201 | Current Liabilities |
| 4290 | Accrued Interest | 201 | Current Liabilities |
| 4300 | Notes Payable-Short Term | 1001 | Sources/Uses |
| 4309 | Current Portion LT Debt | 201 | Current Liabilities |
| 4350 | Customer Deposits | 201 | Current Liabilities |
| 4400 | Notes Payable-Long Term | 1001 | Sources/Uses |
| 4409 | Current Portion LT Debt | 1001 | Sources/Uses |
| 5000 | Owner Loans/Draws | 311 | Owners Equity |
| 5001 | FIT-Owner Health Ins | 1001 | Sources/Uses |
| 5002 | FIT-Owner Life Insurance | 1001 | Sources/Uses |
| 5003 | FIT-Donations | 1001 | Sources/Uses |
| 5004 | FIT-Owner Meals/Entertnmt | 1001 | Sources/Uses |
| 5005 | FIT-Owner Commute Travel | 1001 | Sources/Uses |
| 5010 | Owner Investments | 311 | Owners Equity |
| 5100 | FORECAST CLEARING | 1001 | Sources/Uses |
| 5500 | Capital Stock | 1001 | Sources/Uses |
| 5600 | Retained Earnings | 1001 | Sources/Uses |
| 5800 | Dividends Paid | 1001 | Sources/Uses |
| 6100 | Sales | 401 | Revenue |
| 6110 | Retail Taxable Sales | 401 | Revenue |
| 6120 | Wholesale Sales | 401 | Revenue |
| 6200 | Services Only Sales | 401 | Revenue |
| 6900 | Sales Adjustments AR | 501 | Sales Adjustments |
| 7000 | Merchandise Cost | 601 | Direct Costs |
| 7210 | Direct Material Cost | 601 | Direct Costs |
| 7220 | Direct Labor Cost | 601 | Direct Costs |
| 7230 | Subcontractor Cost | 601 | Direct Costs |
| 7290 | Other Direct Costs | 601 | Direct Costs |
| 8100 | Salaries & Wages | 701 | Salary/Wages/taxes/benefit |
| 8110 | Sales Commissions | 701 | Salary/Wages/taxes/benefit |

General Ledger
Chart of accounts

The Retail Company
Working Capital Chart of Accounts
Report Date 11-11-99

Page 2

ACCT# ACCT.NAME..... WORK. WORK DESC.....

| | |
|--------------------------------|-------------------------------|
| 8180 Corporate Officer Salary | 701 Salary/Wages/taxes/beneft |
| 8210 Payroll Taxes | 701 Salary/Wages/taxes/beneft |
| 8220 Sales/B&O Taxes | 799 Other Operating Expense |
| 8230 Real Estate Tax | 702 Other Taxes |
| 8290 Other Taxes/License | 702 Other Taxes |
| 8300 Fringe Benefits | 701 Salary/Wages/taxes/beneft |
| 8310 Group Health Insur | 701 Salary/Wages/taxes/beneft |
| 8320 Group Life Insurance | 701 Salary/Wages/taxes/beneft |
| 8340 Pensions/Retirement | 701 Salary/Wages/taxes/beneft |
| 8401 Rent - Real Estate | 799 Other Operating Expense |
| 8402 Rep/Maint Real Est | 799 Other Operating Expense |
| 8403 Insurance Real Est | 799 Other Operating Expense |
| 8411 Security Expense | 799 Other Operating Expense |
| 8412 Telephone/Telepage | 799 Other Operating Expense |
| 8420 Utilities | 799 Other Operating Expense |
| 8500 Independent Cont | 799 Other Operating Expense |
| 8510 Data Processing | 799 Other Operating Expense |
| 8520 Professional Service | 799 Other Operating Expense |
| 8600 Auto/Truck | 799 Other Operating Expense |
| 8710 Equipment Rental | 799 Other Operating Expense |
| 8720 Equip Rep/Maint | 799 Other Operating Expense |
| 8730 Equipment Fuel | 799 Other Operating Expense |
| 8800 Supplies | 799 Other Operating Expense |
| 8911 Advertising | 799 Other Operating Expense |
| 8916 Laundry | 799 Other Operating Expense |
| 8917 Janitorial | 799 Other Operating Expense |
| 8931 Donations | 799 Other Operating Expense |
| 8932 Dues/Subscriptions | 799 Other Operating Expense |
| 8933 Freight | 799 Other Operating Expense |
| 8934 Interest/Bank Chrg | 799 Other Operating Expense |
| 8936 Office Supplies | 799 Other Operating Expense |
| 8938 Travel & Lodging | 799 Other Operating Expense |
| 8939 Entertainment & Meals | 799 Other Operating Expense |
| 8941 Liability Insurance | 799 Other Operating Expense |
| 8949 Education | 799 Other Operating Expense |
| 8990 Gain/Loss on Fixed Assets | 901 Other Expenses |
| 8995 Bad Debts | 901 Other Expenses |
| 8996 Amortization | 901 Other Expenses |
| 8997 Depreciation | 901 Other Expenses |
| 8998 Non Tx Deduct Pen/Other | 901 Other Expenses |
| 8999 Miscellaneous | 799 Other Operating Expense |
| 9710 Interest Income | 801 Non-Operating Incme |
| 9720 Dividend Income | 801 Non-Operating Incme |
| 9730 Rental Income | 801 Non-Operating Incme |
| 9740 Bad Debt Recoveries | 801 Non-Operating Incme |
| 9830 Rental Expenses | 901 Other Expenses |
| 9999 Federal Income Tax | 901 Other Expenses |

(I-1)

BALANCE STATEMENT GROUP TITLE ENTRY

| | | | |
|-----------------------|----------------------|-------------|--------------------|
| 1. CTRL.ID | BALANCE.HEADERS | Client Name | The Retail Company |
| 2. Assets Title | ASSETS | | |
| 3. Liabilities Title | LIABILITIES | | |
| 4. Capital Title | OWNERS EQUITY | | |
| 5. YTD Earnings Title | PERIOD EARNINGS | | |
| 6. Liab. + Cap. Title | LIABILITIES & EQUITY | | |

Balance Sheet
Titles

*Note: All Adjustable Titles for Balance Statements must be filled in or statements will have improper headings.

CHANGE ?

INCOME STATEMENT GROUP HEADER AND FOOTERS (I-1)

| | | | |
|-----------------------------|------------------------------|-------------|----------------------|
| 1. CTRL.ID | INCOME.HEADERS | Client Name | The Retail Company |
| 2. Income | REVENUES | | MAJOR GROUP HEADINGS |
| 3. Expense | EXPENSES | | |
| 4. Other Inc/Exp | OTHER INCOME & EXPENSE | | |
| 5. Non Taxable | SOURCES/USES-SUMMARY | | |
| 6. Net Income | NET REVENUES | | MAJOR GROUP FOOTINGS |
| 7. Operating P/<L> | OPERATING INCOME | | |
| 8. Total Other Inc/Exp | TOTAL OTHER INCOME & EXPENSE | | |
| 9. Net Pre-Tax Profit | NET INCOME | | |
| 10. Net Profit | SOURCES/USES | | |
| 11. Gross Income Group | GROSS REVENUES | | MINOR GROUP FOOTERS |
| 12. Total Adjustments Group | TOTAL ADJUSTMENTS | | |
| 13. Total COGS Group | TOTAL DIRECT COSTS | | |
| 14. Total Expense Group | TOTAL EXPENSES | | |
| 15. Total Other Inc Group | TOTAL OTHER INCOME | | |
| 16. Total Other Exp Group | TOTAL OTHER EXPENSES | | |
| 17. Total Non-Taxable Group | SOURCES/USES | | |

Profit + Loss
Group headings
/ footers

*Note: The Minor Group headings are located in the TYPEs file under TYPE records 'x00'.

CHANGE ?

TAR Reports Computer Screening / Printouts

135

The Ten column TAR Analyzed Comparative Balance Sheets Report will not print out on an 8 1/2 x 11 sheet of paper, Therefore This report can be printed out on two lettersize sheets of paper as follows:

Analyzed Comparative BS
Beginning of Year (1/1/xx) ← calendar yr
DATE

← Columns (1) thru (5) →

Part A

should always
be printed out
at same time

Analyzed Comparative BS
Selected Period Ended 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
↑ ↑
Period Date

Columns (1) and (2) & Columns (6) thru (10) →
Part B

If any difficulty arises in "fitting" either the ^{TAR} Analyzed Comparative Balances or the TAR Analyzed Profit and Loss Report onto lettersize paper the following can be done:

analyzed Comparative BS - Part B: Drop column (9)
analyzed Profit and Loss: Drop column (3)

45 C 47 B // 82 C 83 B

TAR Reports Computer Screening / Printouts

136

The Ten column TAR Analyzed Comparative Balance Sheets Report will not print out on an 8 1/2 x 11 sheet of paper, Therefore this report can be printed out on two lettersize sheets of paper as follows:

Analyzed Comparative BS
Beginning of Year (1/1/xx) ← calendar yr
DATE

← Columns (1) Thru (5) →

PART A

Should always
be printed out
at same time

Analyzed Comparative BS
Selected Period Ended

period
date

1 Column

(1) and (2)

← Columns (6) Thru (10) →

PART B

If any difficulty arises in "fitting" either the ^{TAR} Analyzed Comparative Balances OR the TAR Analyzed Profit and Loss Report onto lettersize paper the following can be done:

analyzed Comparative BS - Part B; Drop column (9)
analyzed Profit and Loss; Drop column (3)

45 C

47 B

82 C

83 B

Period Status Report (PSR)

Business Start Up

The first use of The SAS/Root system will establish The CURRENT YEAR listing of periods for The PSR report. Quickbooks and other OTC systems do not have year end closing entry requirements so that The SAS system will work the same for CURRENT/PRIOR year periods listed in The PSR report. See pages 15, 36 and 67.

Datascom Systems Inc
Patent Applications Document
FOR
THE SUPERIMPOSED ACCOUNTING SYSTEM
(SAS)

Additional Documentation
11/29/99

Prepared By Kermit Kindt CPA
Datascom Systems President

Outline

| | Page |
|------------------------------------|------|
| USER Diagrams | |
| PART 1: Computer Data Processing | 2 |
| PART 2: Data Transfers | 3 |
| PART 3: Menus | 4 |
| PART 4: Reports | 5 |
| The Process GL Management System | 6 |
| HCA's Exit menu | 7 |
| The Controllership System | |
| PART 1 | 9 |
| PART 2 | 10 |
| The Entity FIT System | 11 |
| SAS Controllership Menu | 12 |
| SAS Input Adjustments Options Menu | 13 |
| SAS Report Options Menu | 20 |

Superimposed Accounting System (SAS)

140

USER Diagram Part 1

A Computer Data Processing

Small Business

GRANTED

1. BUSINESS TASK OPERATIONS (BTO)

POSSIBLE

2. PROCESS ACCRUAL OPERATIONS
3. IMPROVED FINANCIAL MGMT
4. IMPROVED INTERNAL CONTROL

The Bridge

SUPERIMPOSED ACCOUNTING SYSTEM PROVIDES:

- o STRUCTURES
- o VISUAL PROOFS
- o AUDIT TRAILS
- o FINANCIAL INDICATORS
- o DATA TRANSFERS

(P)

SERVICE CENTERS

GRANTED

1. WRITE UP SERVICES

POSSIBLE

2. SYSTEMS MGMT
 - o CAS / SAS
 - o DATA TRANSFER MGMT
3. CONTROLLERSHIP SERVICES
 - o FINANCIAL INDICATORS

Predictions

1. CAS/SAS SYSTEMS WILL BECOME THE SERVICE CENTER
WRITE UP SYSTEMS OF CHOICE
2. CAS/SAS SYSTEMS WILL REPLACE ALL SERVICE CENTER TRIAL BALANCE SOFTWARE SYSTEMS

Computer Accounting Systems (CAS)

- o LOW COST HARDWARE
- o LOW COST SOFTWARE
- o FAST + ACCURATE PROCESSING
- PERFECTED PRACTICES
 - o PROCESS ACCRUAL OPERATIONS
 - o PROCESS GL MGMT SYSTEM

Management Advisory Services Support

Financial Modelling

- o Planning Forecasts
- o Tracking

Financial Statements

- o Attest
- o Disclose

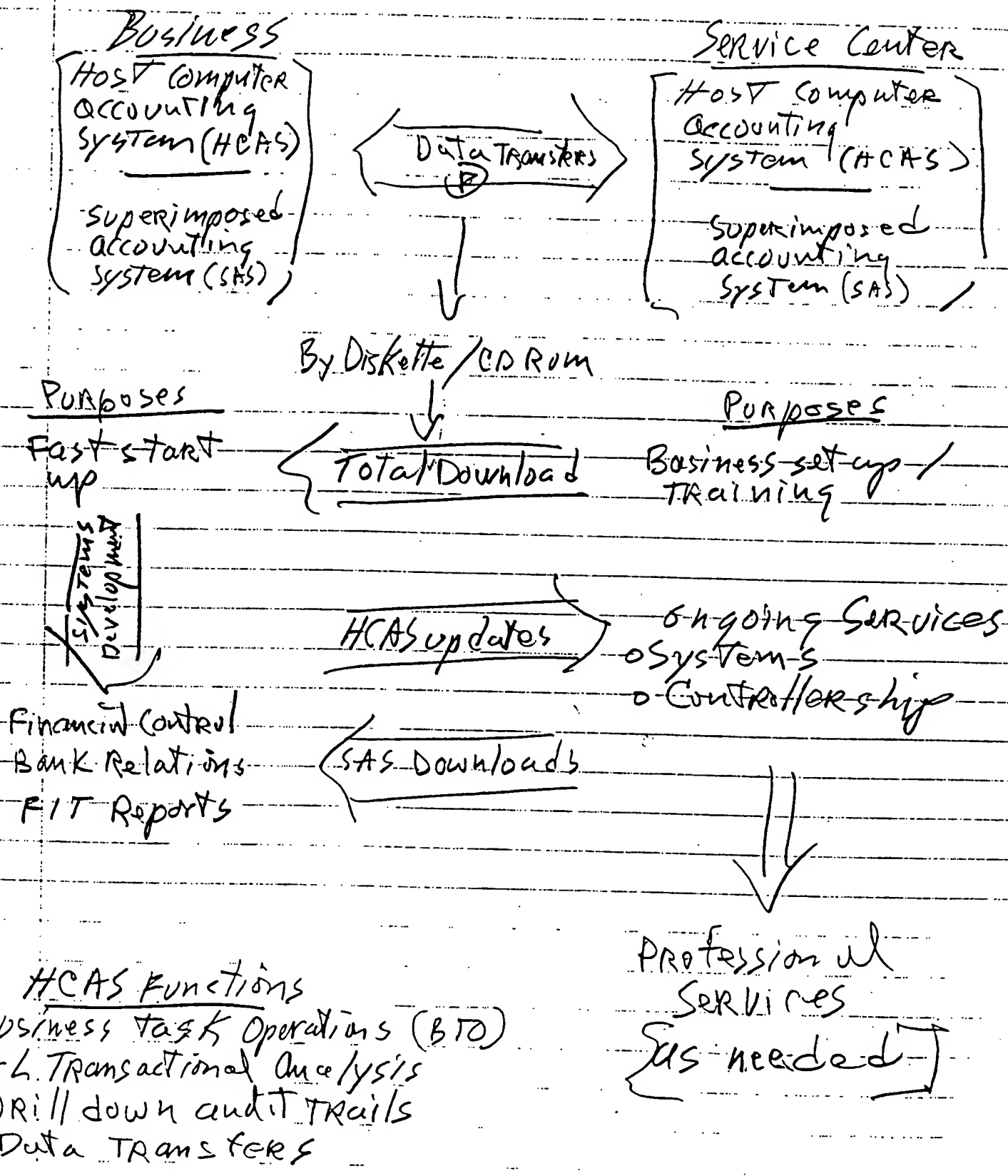
TAXES/FIT SERVICES

Management Advisory Services - CPA's

Superimposed Accounting System (SAS)

USER Diagram Part 2

[Data Transfers Diagram]



Superimposed Accounting System (SAS)
 USER Diagram [menus] PART 2

Host Computer Accounting System (HCAS)

GL Data Base aspects

GL account data stored
 as entered from BTD
 financial transactions
 and adjustments for
 current/prior years

GL control aspects

- o GL Chart of accounts
- o GL Types/groups
- o BS Report Headers
- o P+L Report Headers

HCAS Exit menu

SAS Controlships menu

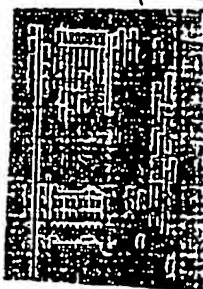
SAS Entity FIT menu

(P)

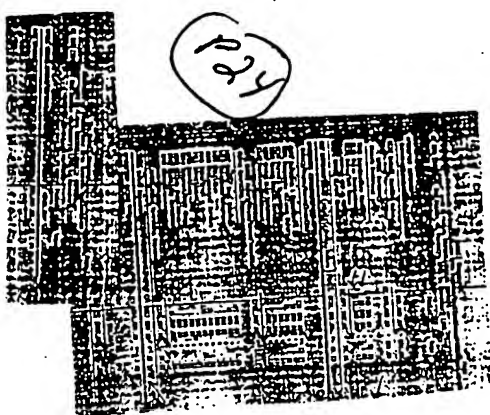
(P)

The Superimposed Accounting System PART 4

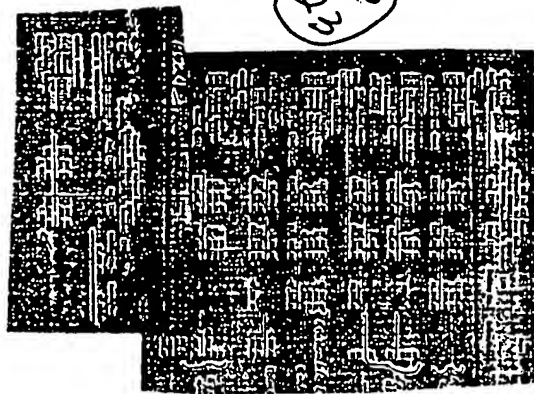
(P25)



(P24)



(P23)

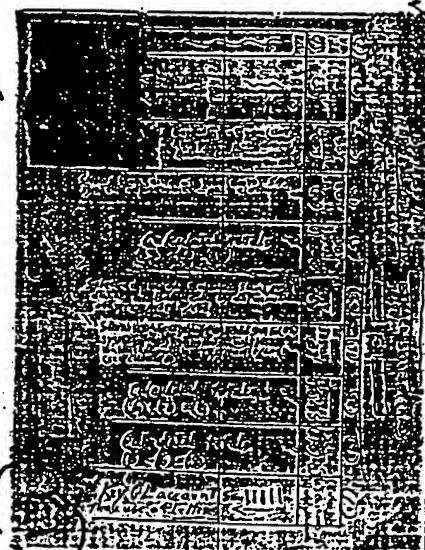
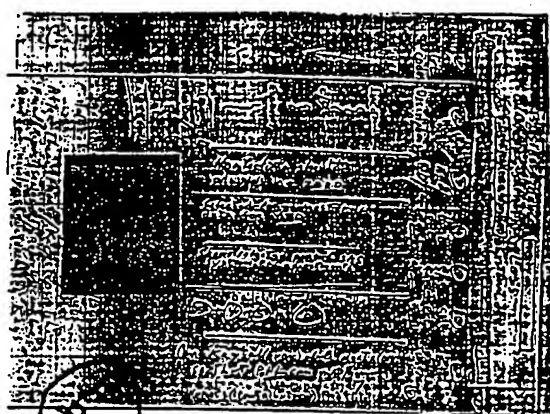


calculate from comparative BS differences - use keyed data (cash)

Use column 6 taken from TAR report YTD for period ended

USE columns 1, 2, 5, 8 taken from TAR report YTD for period ended

| | | | |
|--------------|---------------|----------|---------------|
| Period | Period | GL Data | GL Accounts |
| Actual | Selected | Base | Types/Amounts |
| File | File | Period | Header/Footer |
| Superimposed | Host/Computer | System | System |
| activity | activity | activity | activity |
| system | system | system | system |
| IN | PU | | |

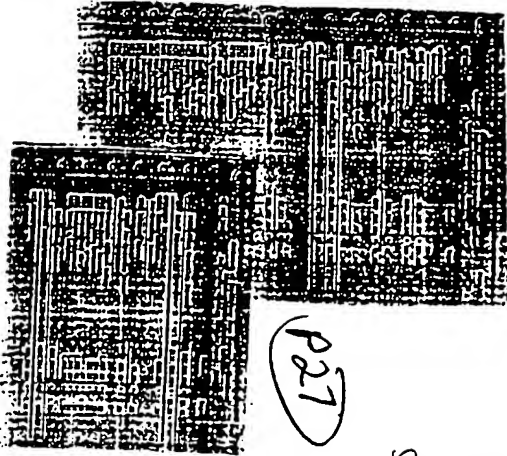
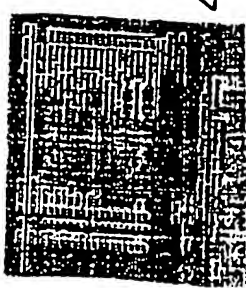


calculated from comparative BS differences - use keyed data (cash)

Use columns 1, 2, 6 taken from TAR Reports FROM Period TO Period calculated difference

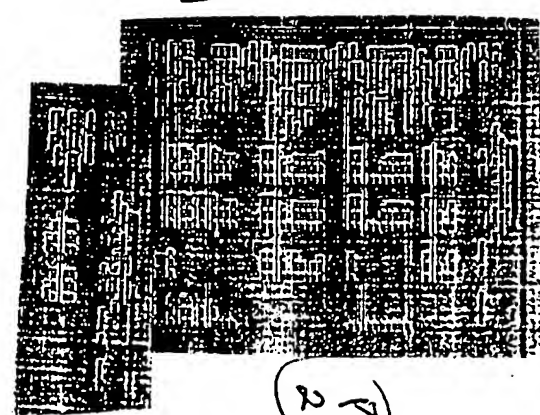
USE columns 1, 2, 8 taken from TAR report (YTD) FOR FROM Period TO Period

(P27)



(P27)

(P26)



YTD Template Analytical Report (YTD) - FROM Period - Control Report

Superimposed Accounting System

The Process GL Management System (P)

- | Steps | Operator |
|-------|---|
| 1 | Period (Selection) Entry (P12) |
| 2 | Prints out TAR reports (P21, 22) for worksheet purposes |
| 3 | Chooses HCAS Trial Balance report registers for examination (P12) |
| 4 | Determines and enters SAS adjustments (Repeat steps 2 thru 4 as necessary) (P13-17) |
| 5 | Run Asset (audit trail) reports (P9) |
| 6 | Run Controllership Reports (P20) |

Computer (Automate) cont

3. Period Closing (Current To Prior) operation is operator controlled after initial entry (Attempt) into (new) subsequent year (P31)

Computer (Automate)

1. INTERVENING EDIT REPORT PROCESS:
Selects Period entry Beginning of year (BOY) and period through HCAS GL data compares with SAS existing data. If start up situation then continues on. If a RE-RUN and comparison determines differences are exceptions report (P20) is produced. Operator is then given 3 options:

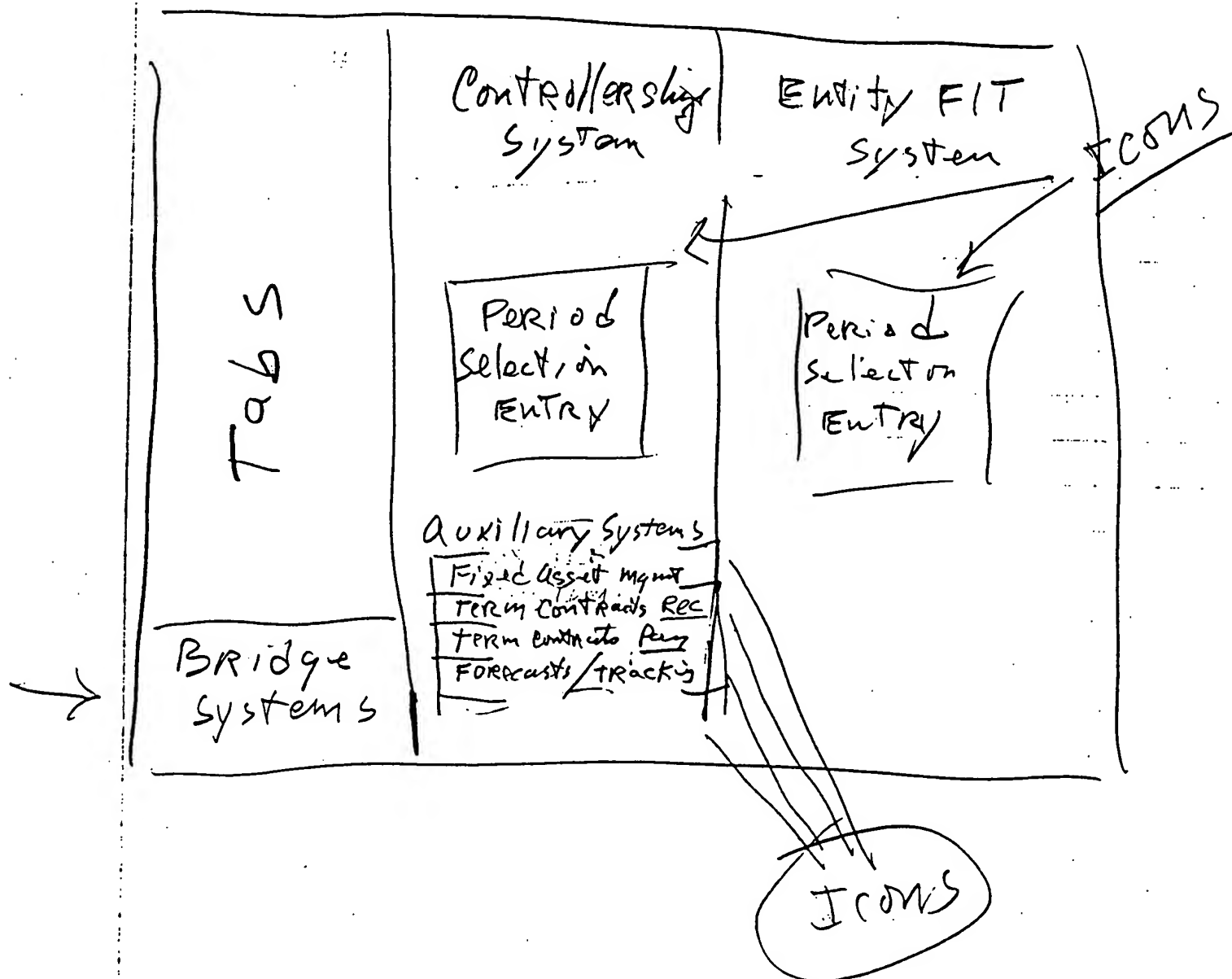
- 1) Cancel this HCAS downlo.
- 2) Continue and update (replace) SAS data
- 3) Cancel all period ~~SA~~ existing SAS data and create a new SAS period system

2. PRE fills input/Report options (new) and then updates (enters) HCAS data into TAR report columns.

(P) Patent

The Quickbooks Navigator

Possible SAs system access



The Controllership System

The Superimposed Accounting System (SAS) Controller's System

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Part 1

Host Computer Accounting System (HCAS)
EXIT Menu



SAS CONTROLLER'Ship menu (P)



Period (Selection) Entry (P)
01 select CURRENT (C) prior (P) period
02 select YTD period thru



Creates pretilled options (P)

Provides HCAS
Trial Balance
/ Register access

Then operates to select HCAS
period data and edit by
comparing any existing
SAS data to newly
accessed data (P)

Intervening
EDIT Report
(Exceptions
Reports) (P)



operator
Decisions

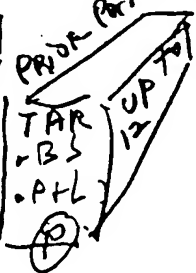
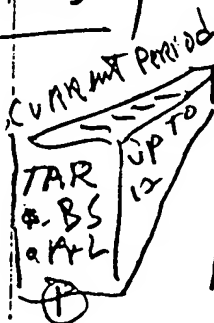
- o Cancel update on
- o download anyw
- o Cancel SAS period
data and start
over

Pretilled (P)

Input
adjustments
options

Report
options

Then download HCAS
selected data into
Template analyzed Reports
(TAR) sub system (P)



Report options

with Financial Indicators

Comparative Balance Sheet Analysis
Profit + Loss / Cash Flow

Profit Run (audit Trail)

1. PRINTS OUT adjustment entries as
BOY and PRIOR thru series with
a GL account summary at the
end of each series
2. Then prints out TAR/YTD reports
This together with HCAS data
is a complete audit trail

(P) Patentable unique accounting systems aspects

The Superimposed Accounting System (SAS) Controller'ship System

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Part 2

SAS Controller'ship Menu (P)

Mandatory Period (Selection) Entry (P)

(1)

Pre-filled (options)
Input Adjustments

[HCA's Trial Balance Selection]
Purpose: To allow
searches thru
HCA's General
Ledger account
Registers

Pre-filled (options)
Report Selections

- stix Period thru
- ISO 1. BEST SOURCE / OTHER
CUT OFF
- OR 2. ACCRUED Payroll
3. ACCRUED PR TAXES
4. ACCRUED sales / Exercise Taxes
- 20 Beginning of Year (BOY)
1. BEST SOURCE / OTHER
CUT OFF
- PR 2. ACCRUED Payroll
PT 3. ACCRUED PR TAXES
ST 4. ACCRUED sales / Exercise Taxes

[Pre-filled entries are
sequenced and accessed
by pre-filled date of
entry]

PURPOSE: To provide
structure and some
explanation to expected
adjustments

YTD Template Analyzed Report:

1. Analyzed Comparative B.S.
2. Analyzed P+L
3. TFR Report Series (1+2)

YTD Controller'ship Reports

4. Comparative BS Analysis
5. P+L / Cash Flow
6. Controller'ship Report Series

YTD PROOF RUN

7. Audit Trail

Organized adjustment
entries and TFR Reports
Period To Period CRPT

FROM PERIOD

| |
|--|
| |
| |

TO PERIOD

| |
|--|
| |
| |

PURPOSES

TFR Reports

1. WORK SHEETS
2. Final PROOF RUN

Controller'ship Reports (CRPT)

1. Financial Indicators

Proof Run

1. Process audit
Trail

(P) Patent

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The Superimposed Accounting System (SAS) Entity KIT System (P)

[Essentially the same as
Controller ship system
except indications are
changed from Controller ship
to Entity FIT system
and ② The keying of TAP
reports is eliminated (not
needed)]

① Patent

Superimposed Accounting System SAS

Controller'ship Menu

Do this

Period (Selection) Entry

- 01 Select current period (C) PRIOR period (P)
02 Select period thru (1-12)

Operator Entries

| |
|--|
| |
| |
| |

Period Entry Selected

Operator Selections

- 1 Input adjustment options
- 2 Report Options
- 3 Set up new GL accounts

| | |
|--|------|
| | Date |
|--|------|

Pre-filled

then this appears

Period SAS Status Report

| CURRENT Year | | PRIOR Year | |
|--------------|------|------------|------|
| # | Date | # | Date |
| | | | |

Shows only those periods that have been selected before and the period just selected

Choose HCAS Trial Balance Report

| YTD Current Year | | YTD Prior Year | |
|------------------|------|----------------|------|
| # | Date | # | Date |
| | | | |

SAS Input Adjustments Option Menu

Prefilled Period Thru Prefilled Date

Operator Selection

CURRENT OR PRIOR

- 1 Best Source / Other
- 2 Accrued Payroll (PR)
- 3 Accrued PR Taxes
- 4 Accrued Sales / Excise Taxes

Beginning of Year

CURRENT OR PRIOR

- 5 Best Source / Other
- 6 Accrued Payroll (PR)
- 7 Accrued PR Taxes
- 8 Accrued Sales / Excise Taxes

CUT off adjustments

9 Set up new GL accounts

ENTER AND MAINTAIN LEDGER CHART OF ACCOUNTS

1. G/L Acct. No.
2. Account Name

Client Name

3. Type/Group

Datascan

Account TYPE/Group Conventions:

- | | |
|----------------------------|--------------------------------|
| 1xx - Assets | 6xx - Cost Of Sales/Goods Sold |
| 2xx - Liabilities | 7xx - Expenses |
| 3xx - Capital/Owner Equity | 8xx - Other Income |
| 4xx - Income | 9xx - Other Expenses |
| 5xx - Sales Adjustments | 10xx - Non Tax Deductions |

New SAS General Ledger Accounts

New GL accounts are set up through (9) in the SAS Input adjustments Option Menu; Other HCA's accounts also could be modified depending on the Host system characteristics and operating parameters.

The Host system and SAS system shall be designed to maintain only one GL system of account control aspects.

The SAS system adjustments shall not be added to or integrated into the host system. However, in all other aspects the SAS system is merely a special (controlling/FIT/proof) report system superimposed onto the Host system.

P3904
 (Civilian) 1. Best Source / Other (Screen)
 [BS] [Other] (Screen)

ewitts Mattress Warehouse Inc.
 1. Reference
 2. Trans Date
 3. Adjust Month
 4. MPA Type
 5. Department
 6. 3 Database
 7. GL Acct Acct Name
 REVERSE SIDE WORKING CAPITAL ADJUSTING TRANSACTION
 16 Memo Entered
 Pre-filled

Operation entered
 then acct name is filled in
 Operation entered (OPTIONAL)
 Operation entered
 necessary

Transaction Ref# ? (Next default sequence number is 71) Balance

Reference
 Prefix
 (BS)
 NAK

Number is sequentially assigned

These adjustments are editorial but never reversed because of SAP system's structure and operation

Audit Trail Reports ARE data accessed by Period / Date and Pre-filled Prefix adjustment would be reported and arranged in detail by GL account

BEST SOURCE Adjustments

when Host system only partially utilized

[Best source adjustments should be made based on EOM analyses as follows:-]

These adjustments will vary depending on how host system entered cash transactions

Receivables at EOM

Asset - Accounts Receivable
Revenue - Sales
Expense - Sales Tax

Payables at EOM

Liabilities - Accounts Payable
C/S -
Expenses

Payroll at EOM

Expense - Gross Wages
Expenses - PR Taxes
Accrued Payroll

Accrued Taxes - EOM

should use EOT entries {
accrued PR taxes
Expense - PR taxes
accrued sales / Excise taxes
Expense - Sales / Excise taxes

Inventory

asset - Inventory
Expense - C/S

Other Adjustments

These entries should be made in host system as is the case with Best Source adjustments {
o Correction of host system Fixed asset accounting
o Correction of host system TERM contracts accounting (Assets/Liabilities)
o Other host system corrections

However, with many small business applications the host system operations should be left simple and technically not correct but to be corrected through the SAS system by service center accountants

P39B

These adjustments become repetitive when practices are not changed

| | DR (+) | CR (-) |
|-----------------|--------|--------|
| Receivables | XXXV | |
| Revenue | | XXX |
| Expense | | XX |
| Payables | | XXXX |
| Liabilities | XXX | |
| C/S | XX | |
| Expenses | | |
| Payroll | XXX | |
| Expense | | XX |
| Expenses | | XXX |
| Accrued Payroll | | |
| Accrued Taxes | | XX |
| Expense | XX | |
| Inventory | XX | |
| Asset | | XXX |

INTERIM PERIOD REVERSAL

P4001

2 Accrued Payroll (PR)

(The Retail Company)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION

(1-1)

- 1. Reference
- 2. Trans Date
- 3. Adjust Month
- MPB Type
- 5. Department



6. Memo
Pre-filled
Data sum
Pre-filled

7. GL Acct Acct Name Line Note Amount

Same as Best source

These adjustments are editable but never reversed because of SAS system structure and operation

Balance

Transaction Ref? (Next default sequence number is 12)

MEMO ENTRY SCREEN FOR calculation purposes

| NEXT PR after EOM | GL Codes | total Gross | Calculation Daily unit cost by using work days (÷) into Gross | Daily unit cost |
|-------------------|----------|-------------|---|-----------------|
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | — |

Data can make the calculation for every pay period

Proof of what accrued PR Balance sheet total should be

- 1. Unpaid EOM total of Net Payroll
- 2. add SAS accrued PR Adjustment (above)
- (1) + (2) Proof total

Available from PR system

[Compare to SAS Balance sheet Amount]

NOTE: the exact GL entry will only be determined for each particular system as managed by an accountant

P4/9-

3 accrued PR takes

(The Retail Company)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION (I-1)

- 1. Reference
- 2. Trans Date
- 3. Adjust Month
- MPB Type
- 5. Department

10/1/94

Memo

Pre-filled

3 Data source pre-filled

7. GL Acct Acct Name Line Note Amount

Same as Best Source

These adjustments are not reversible because of system's structure and quantities

Balance

Transaction Ref? (Next default sequence number is 12)

MEMO ENTRY SCREEN FOR calculation purposes

Note: accrued PR takes are automatically determined and then (GL) posted to correct accounts as each payroll is processed through a CAS system (host)

Next PR after EOM Total Gross PR takes Employer cost accrued PR adjustment

\$ _____ \$ _____ 20 (A) times (B) = \$ _____ (C)

Add PR takes reported but not paid by EOM

Form 941/943 Deposit
 SUTA
 FUTA
 Labor + Industries
 other

Proof total (1)+(2) = _____ (2)

Note: the exact GL entry will only be determined for each particular system as managed by our accountant

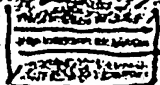
Accrued Sales/Excise Taxes

(The Retail Company)

REVERSIBLE WORKING CAPITAL ADJUSTING TRANSACTION

(1-1)

- 1. Reference
- 2. Trans Date
- 3. Adjust Month
- MPB Type
- 5. Department



6. Memo

3 Data scan
pre-filled

7. GL Acct Acct Name

Line Note

Amount

Same as Best Source

These adjustments
are not available w/it
never reversed
because of SAS
system's structure
and operations

Balance

Transaction Ref? (Next default sequence number is 12)

MEMO ENTRY SCREEN FOR CALCULATION PURPOSES

NOTE: Accrued Sales/Excise Taxes are automatically determined and then (GL) posted to correct accounts as each sales invoice is entered through a host CAS system however adjustments are almost always necessary to report accurate BS/P-L data. Sales/Excise taxes calculated (reported) to be paid at EOM but NOT paid.

State Dept of Revenue
City taxes
Other

PROV/TOTAL

NOTE: The exact GL entry will only be determined for each particular system as managed by an accountant

SAS Report Options Menu

CURRENT
OR PRIOR

| | | | |
|--|----|------|------------|
| | xx | Date | Pre filled |
|--|----|------|------------|

YTD Template Analyzed Reports (TAR)

Operator
Selections

1. Analyzed Comparative Balance Sheets
2. Analyzed Profit + Loss
3. TAR Report Series (1 + 2 above)

YTD Controllership Reports

Operator
Selections

4. Comparative Balance Sheet Analysis
5. Profit + Loss / Cash Flow Analysis
6. Controllership Report Series (4 + 5 above)

From Period To Period Reports

Operator selection process

From Period

To Period

| | | | |
|---------|----|------|--------|
| Enter # | xx | Date | filled |
|---------|----|------|--------|

7. Controllership Report Series

Analyzed Comparative Balance Sheets (TAR)

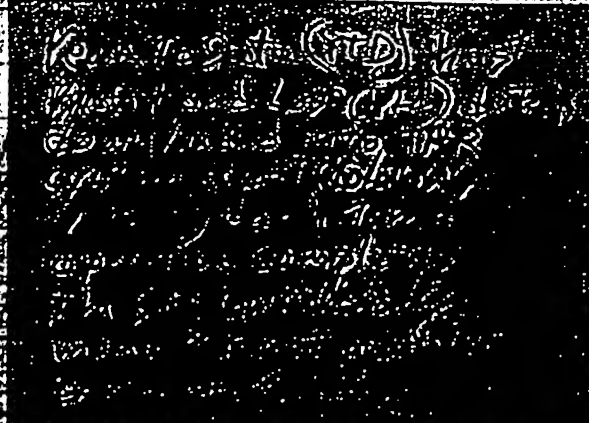
YTD Selected Period From [] To []

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|----------|----------------|---|-------------|----------------|-------------|-------------|----------------|-----------|-----------|
| GL codes | GL Description | BOY Host BS | BOY SAS Adj | BOY SAS Adj BS | YTD Host BS | YTD SAS Adj | YTD SAS Adj BS | BS Change | Enter key |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| XXXX | ASSETS | | | | | | | | |
| | LIABILITIES | | | | | | | | |
| | EQUITY | | | | | | | | |
| | | Beginning of year (BOY) host system post closing Balance Sheet amounts | | | | | | | |
| | | Shows Beginning of year (BOY) SAS system adjustments - post closing | | | | | | | |
| | | Calculated Totals (3) + (4) = (5) | | | | | | | |
| | | Selected period Balance Sheet post data as Balanced by determination of YTD Profit/Loss | | | | | | | |
| | | Shows selected period SAS (BS) system adjustments with balanced out by YTD Profit/Loss (see column 6) | | | | | | | |
| | | Calculated Totals (6) + (7) = (8) | | | | | | | |
| | | Calculated Totals (8) - (5) = (9) | | | | | | | |
| | | Key GL accounts ① Cash accounts - | | | | | | | |



Business Name _____
Analyzed Profit & Loss
Controller'ship F&O System
YTD Selected Period from _____ to _____ Yr.

| ① GL Codes | ② Descriptions | ③ A.S.O. B.O.Y. | ④ Host P.L. | ⑤ SAS adjust | ⑥ SAS P.L. | ⑦ Enter Variable Cost/Expense Key (V) |
|--|-------------------|------------------------------------|---|--|--|---|
| XXXX ↓ Income | { c/s | Host data should always be zero | selected period host P.L. data for YTD | Shows selected period SAS system P.L. adjustments | calculated totals (3) + (4) + (5) = (6) | Can Key all variable costs so that P.L. can put them before determination of gross (contribution) profit |
| Net operating P.L. other Inc/Exp | { Expenses | | | | | |
| other Inc/ Exp | { Net Income | | | | | |



After These Proof/Key steps The
Final Report series of reports can be
Run as newly structured by "Keys"

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The Retail Company.
Comparative Balance Sheets
Division CONTROLLERSHIP REPORTS
Beginning Year January 1, 1997 To December, 1997

Page 1

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| Acct# Account..... | Jan, 1997 | Dec, 1997 | Working Cap. | Source/Use |
|-----------------------------------|---------------------|---------------------|-------------------|------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| 1005 Cash in Bank | 15,500.00 | 3,500.00 | -12,000.00 | |
| 1200 Receivables | 9,800.00 | 15,500.00 | 5,700.00 | |
| 1300 Inventory | 330,000.00 | 380,800.00 | 50,800.00 | |
| TOTAL Current Assets | \$355,300.00 | \$399,800.00 | 44,500.00 | |
| Fixed Assets | | | | |
| 2130 Vehicles | 31,000.00 | 31,000.00 | | .00 |
| 2140 Office Furniture & Equip | 5,000.00 | 5,000.00 | | .00 |
| 2150 Computers & Accessories | 8,000.00 | 8,000.00 | | .00 |
| TOTAL Fixed Assets | \$44,000.00 | \$44,000.00 | | |
| Other Assets | | | | |
| 3200 Goodwill | 10,000.00 | 10,000.00 | | .00 |
| TOTAL Other Assets | \$10,000.00 | \$10,000.00 | | |
| TOTAL ASSETS | \$409,300.00 | \$453,800.00 | 44,500.00 | .00 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| 4100 Accounts Payable | 120,500.00 | 80,000.00 | -40,500.00 | |
| 4230 Accrued Payroll Taxes | 11,000.00 | 10,000.00 | -1,000.00 | |
| 4250 Accrued Sales Taxes | 7,000.00 | 6,000.00 | -1,000.00 | |
| 4300 Notes Payable-Short-Term | 45,000.00 | 40,000.00 | -5,000.00 | |
| TOTAL Current Liabilities | \$183,500.00 | \$136,000.00 | -47,500.00 | |
| Term Liabilities | | | | |
| 4400 Notes Payable-Long Term | 20,000.00 | 16,200.00 | | -3,800.00 |
| TOTAL Term Liabilities | \$20,000.00 | \$16,200.00 | | |
| TOTAL LIABILITIES | \$203,500.00 | \$152,200.00 | -47,500.00 | -3,800.00 |
| OWNERS EQUITY | | | | |
| Owners Equity | | | | |
| 5500 Capital Stock | 20,000.00 | 20,000.00 | | .00 |
| 5600 Retained Earnings | 237,800.00 | 237,800.00 | | .00 |
| 5800 Dividends Paid | <52,000.00> | <10,000.00> | | 42,000.00 |
| TOTAL Owners Equity | \$205,800.00 | \$247,800.00 | | 42,000.00 |
| PERIOD EARNINGS | \$0.00 | \$53,800.00 | | 53,800.00 |
| TOTAL OWNERS EQUITY | \$205,800.00 | \$301,600.00 | | 95,800.00 |
| LIABILITIES & EQUITY | \$409,300.00 | \$453,800.00 | -47,500.00 | 92,000.00 |
| CHANGES IN WORKING CAPITAL | | | 92,000.00 | 92,000.00 |
| CURRENT SUMMARIES | | | | |
| Total Current Assets | 355,300.00 | 399,800.00 | | |
| Total Current Liabilities | 183,500.00 | 136,000.00 | | |
| Net Working Capital | 171,800.00 | 263,800.00 | | |
| Current Ratio | 1.9362 | 2.9397 | | |

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The Retail Company.
Statement of Profit/Loss from Sources/Applications
Division CONTROLLERSHIP REPORTS
For Months of January, 1997 to December, 1997

Page 1

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| | Period | %age |
|-----------------------------------|----------------|----------|
| OPERATING REVENUES | | |
| Revenue | | |
| 6110 Retail Taxable Sales | 1,800,000.00 | * 100.00 |
| TOTAL Revenue | \$1,800,000.00 | * 100.00 |
| Direct Costs | | |
| 7000 Merchandise Cost | 1,048,560.00 | * 58.25 |
| 8110 Sales Commission | 18,000.00 | * 1.00 |
| 8220 Sales/B&O Taxes | 11,340.00 | * .63 |
| TOTAL Direct Costs | \$1,077,900.00 | * 59.88 |
| NET REVENUES | \$722,100.00 | * 40.12 |
| OPERATING EXPENSES | | |
| Salary/Wages/taxes/benefits | | |
| 8100 Salaries & Wages | 220,000.00 | * 12.22 |
| 8180 Corporate Officer Salary | 30,000.00 | * 1.67 |
| 8210 Payroll Taxes | 35,700.00 | * 1.98 |
| 8310 Group Health Insur | 2,500.00 | * .14 |
| 8320 Group Life Insurance | 1,300.00 | * .07 |
| 8340 Pensions/Retirement | 2,000.00 | * .11 |
| TOTAL Salary/Wages/taxes/benefits | \$291,500.00 | * 16.19 |
| Other Operating Expense | | |
| 8401 Rent - Real Estate | 105,000.00 | * 5.83 |
| 8412 Telephone/Telepage | 10,000.00 | * .56 |
| 8420 Utilities | 7,000.00 | * .39 |
| 8520 Professional Service | 7,000.00 | * .39 |
| 8600 Auto/Truck | 35,000.00 | * 1.94 |
| 8911 Advertising | 190,000.00 | * 10.56 |
| 8931 Donations | 500.00 | * .03 |
| 8934 Interest/Bank Chrg | 2,200.00 | * .12 |
| 8936 Office Supplies | 3,600.00 | * .20 |
| 8941 Liability Insurance | 6,000.00 | * .33 |
| 8999 Miscellaneous | 10,000.00 | * .56 |
| TOTAL Other Operating Expense | \$376,300.00 | * 20.91 |
| Total Expenses | \$667,800.00 | * 37.10 |
| OPERATING INCOME | \$54,300.00 | * 3.02 |
| OTHER INCOME/EXPENSE | | |
| Other Expenses | | |
| 8995 Bad Debts | 500.00 | * .03 |
| TOTAL Other Expenses | \$500.00 | * .03 |
| TOTAL OTHER INCOME/EXPENSE | <\$500.00> | * -.03 |
| NET INCOME | \$53,800.00 | * 2.99 |

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The Retail Company.
 Statement of Profit/Loss from Sources/Applications
 Division CONTROLLERSHIP REPORTS
 For Months of January, 1997 to December, 1997

Page 3

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| | Period | Page |
|-------------------------------|-----------------|-------|
| NET INCOME | \$53,800.00 | |
| SOURCES/USES | | |
| Non Taxable | | |
| ----- | | |
| 1200 Receivables | 5,700.00 * | .32 |
| 1300 Inventory | 50,800.00 * | 2.82 |
| 4100 Accounts Payable | 40,500.00 * | 2.25 |
| 4230 Accrued Payroll Taxes | 1,000.00 * | .06 |
| 4250 Accrued Sales Taxes | 1,000.00 * | .06 |
| 4300 Notes Payable-Short Term | 5,000.00 * | .28 |
| 4400 Notes Payable-Long Term | 3,800.00 * | .21 |
| 5800 Dividends Paid | <42,000.00> * | -2.33 |
| ----- | | |
| TOTAL Non Taxable | \$65,800.00 * | 3.66 |
| ===== | | |
| NET CHNG SOURCES/USES | <\$12,000.00> * | -.67 |

Cash Flow Statement

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[REDACTED] Inc
Comparative Balance Sheets
Division CONTROLLERSHIP REPORTS
Beginning July 1, 1999 To August, 1999

Page 1

26 NOV 1999

| Acct# Account..... | Jul, 1999 | Aug, 1999 | Working Cap. | Source/Use |
|-----------------------------------|---------------------|---------------------|-------------------|-------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| 1005 Cash in Bank | <6,434.00> | 18,293.00 | 24,727.00 | |
| 1200 Receivables | .00 | .00 | .00 | |
| 1300 Inventory | 473,967.00 | 473,953.00 | -14.00 | |
| TOTAL Current Assets | \$467,533.00 | \$492,246.00 | 24,713.00 | |
| Fixed Assets | | | | |
| 2110 Leasehold Improvements | 62,761.00 | 62,761.00 | | .00 |
| 2120 Equipment | 18,570.00 | 18,570.00 | | .00 |
| 2130 Vehicles | 67,407.00 | 67,407.00 | | .00 |
| 2140 Office Furniture & Equip | 11,560.00 | 11,560.00 | | .00 |
| 2150 Computers & Accessories | 7,687.00 | 7,687.00 | | .00 |
| 2899 Accumulated Depreciation | .00 | .00 | | .00 |
| 3100 Leasehold Improvements | .00 | .00 | | .00 |
| TOTAL Fixed Assets | \$167,985.00 | \$167,985.00 | | |
| TOTAL ASSETS | \$635,518.00 | \$660,231.00 | 24,713.00 | .00 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| 4100 Accounts Payable | 202,683.00 | 206,667.00 | 3,984.00 | |
| 4220 Accrued Payroll | 13,581.00 | 13,876.00 | 295.00 | |
| 4230 Accrued Payroll Taxes | 12,187.00 | 12,187.00 | .00 | |
| 4250 Accrued Sales Taxes | 15,512.00 | 16,472.00 | 960.00 | |
| 4300 Notes Payable-Short Term | 27,737.00 | 64,000.00 | 36,263.00 | |
| 4310 Contract Payable Forklift | .00 | .00 | .00 | |
| 4500 Customer Deposits | 9,392.00 | 8,391.00 | -1,001.00 | |
| TOTAL Current Liabilities | \$281,092.00 | \$321,593.00 | 40,501.00 | |
| TOTAL LIABILITIES | \$281,092.00 | \$321,593.00 | 40,501.00 | |
| OWNERS EQUITY | | | | |
| Owners Equity | | | | |
| 5000 Owner Loans/Draws | 98,361.00 | 98,361.00 | | .00 |
| 5500 Capital Stock | 20,000.00 | 20,000.00 | | .00 |
| 5600 Retained Earnings | 356,820.00 | 356,820.00 | | .00 |
| 5800 Dividends Paid | <146,095.00> | <152,095.00> | -6,000.00 | |
| TOTAL Owners Equity | \$329,086.00 | \$323,086.00 | -6,000.00 | |
| Y-T-D EARNINGS | \$25,340.00 | \$15,552.00 | -9,788.00 | |
| TOTAL OWNERS EQUITY | \$354,426.00 | \$338,638.00 | -15,788.00 | |
| LIABILITIES & EQUITY | \$635,518.00 | \$660,231.00 | 40,501.00 | -15,788.00 |
| CHANGES IN WORKING CAPITAL | | | | |
| | | | -15,788.00 | -15,788.00 |

[REDACTED] Inc
Comparative Balance Sheets
Division CONTROLLERSHIP REPORTS
Beginning July 1, 1999 To August, 1999

Page 2

26 NOV 1999

| Acct# Account..... | Jul, 1999 | Aug, 1999 | Working Cap. | Source/Use |
|---------------------------|------------|------------|--------------|------------|
| CURRENT SUMMARIES | | | | |
| Total Current Assets | 467,533.00 | 492,246.00 | | |
| Total Current Liabilities | 281,092.00 | 321,593.00 | | |
| Net Working Capital | 186,441.00 | 170,653.00 | | |
| Current Ratio | 1.6633 | 1.5306 | | |

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Statement of Profit/Loss from Sources/Applications
 Division CONTROLLERSHIP REPORTS
 For Months of July, 1999 to August, 1999

Page 1

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| | Period | Page |
|-------------------------------|---------------|----------|
| OPERATING REVENUES | | |
| Revenue | | |
| 6100 Sales | 368,183.00 | * 100.00 |
| TOTAL Revenue | | |
| Direct Costs | \$368,183.00 | * 100.00 |
| 7000 Merchandise Cost | 227,786.00 | * 61.87 |
| TOTAL Direct Costs | | |
| Direct C/S Other | \$227,786.00 | * 61.87 |
| 6130 Finance/Credit Card Disc | 8,602.00 | * 2.34 |
| TOTAL Direct C/S Other | \$8,602.00 | * 2.34 |
| TOTAL Direct Costs | \$236,388.00 | * 64.20 |
| NET REVENUES | \$131,795.00 | * 35.80 |
| OPERATING EXPENSES | | |
| Salary/Wages/Benefits | | |
| 8100 Financial Salary | 51,572.00 | * 14.01 |
| TOTAL Salary/Wages/Benefits | | |
| Taxes | \$51,572.00 | * 14.01 |
| 8210 Payroll Taxes | 10,581.00 | * 2.87 |
| 8220 Sales/B&O Taxes | 896.00 | * .24 |
| TOTAL Taxes | | |
| Other Operating Expense | \$11,477.00 | * 3.12 |
| 8401 Rent - Real Estate | 18,100.00 | * 4.92 |
| 8402 Rep/Maint-Real-Est | 162.00 | * .04 |
| 8411 Security Expense | 374.00 | * .10 |
| 8412 Telephone | 1,446.00 | * .39 |
| 8420 Utilities | 2,443.00 | * .66 |
| 8520 Professional Service | 600.00 | * .16 |
| 8600 Auto/Truck | 4,093.00 | * 1.11 |
| 8800 Supplies | 157.00 | * .04 |
| 8911 Advertising | 38,487.00 | * 10.45 |
| 8916 Laundry | 173.00 | * .05 |
| 8936 Office Supplies | 419.00 | * .11 |
| 8941 Liability Insurance | 1,416.00 | * .38 |
| TOTAL Other Operating Expense | \$67,870.00 | * 18.43 |
| Total Expenses | \$130,919.00 | * 35.56 |
| OPERATING INCOME/(LOSS) | \$876.00 | * .24 |
| OTHER INCOME/EXPENSES | | |
| Non-Operating Income | | |
| 9710 Interest Income | 95.00 | * .03 |
| TOTAL Non-Operating Income | | |
| Other Expenses | \$95.00 | * .03 |
| 8180 Corporate Officer Salary | 1,020.00 | * .28 |
| 8310 Group Health Insur | 554.00 | * .15 |
| 8320 Group Life Insurance | 222.00 | * .06 |
| 8934 Interest/Bank Chrg | 2,363.00 | * .64 |
| 8935 Pensions/Retirement | 2,000.00 | * .54 |
| 8938 Travel & Lodging | 4,600.00 | * 1.25 |
| TOTAL Other Expenses | \$10,759.00 | * 2.92 |
| TOTAL OTHER INCOME/EXPENSE | <\$10,664.00> | * -2.90 |
| NET INCOME/(LOSS) | <\$9,788.00> | * -2.66 |

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Statement of Profit/Loss from Sources/Applications
 Division: CONTROLLERSHIP REPORTS
 For Months of July, 1999 to August, 1999

Page 3

26 NOV 1999

| | Period | %age |
|-------------------------------|-----------------|-------|
| NET INCOME/(LOSS) | <\$9,788.00> | |
| SOURCES/USES | | |
| Non Taxable | | |
| 1300 Inventory | <14.00> * | -.00 |
| 4100 Accounts Payable | <3,984.00> * | -1.08 |
| 4220 Accrued Payroll | <295.00> * | -.08 |
| 4250 Accrued Sales Taxes | <960.00> * | -.26 |
| 4300 Notes Payable-Short Term | <36,263.00> * | -9.85 |
| 4500 Customer Deposits | 1,001.00 * | .27 |
| 5800 Dividends Paid | 6,000.00 * | 1.63 |
| TOTAL Non Taxable | <\$34,515.00> * | -9.37 |
| NET SOURCES USES | \$24,727.00 * | 6.72 |

Cash Flow Statement

P360)

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The Intervening Edit Report (IER)

Business Name _____

Date of Processing _____

Selected Period _____ through _____ (YTD)
number Date

| GL Code | Description | Beginning of Year | | | THRU Period Selected | | |
|------------|-------------|-------------------|-----|-------------|----------------------|-----|-------------|
| | | Host Data | | | Host Data | | |
| | | old | new | Differences | old | new | Differences |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |

Previously stored in TAR subsystem

IER Newly selected from host

$$(2) - (4) = (5)$$

Previously stored in TAR system

IER Newly selected from host

$$(6) - (7) = (8)$$

Presented in
Trial Balance
Sequence form

IER Out of Balance Condition

- A When Beginning of year (BOY) host data has been changed from previous SAS period selection processing both BOY column (5) differences and the "Thru Period Selected" column (8) differences will show that change.
- B When the host YTD selected period data has been changed from previous SAS period (same) processing data only the "Thru Period Selected" column (8) will show those changes (differences)
- C When both the Host BOY data and the host YTD selected period data has been changed from previously processed SAS data for those same periods then BOY changes will show as described in (A) above however, the "Thru Period selected" column (8) changes will be the addition of changes explained in (A) and (B) above.

P67d) —

Closing Operations SAS

The SAS system is programmed to reject the selection of a period beyond the current period (~~12~~ months) in which operations have been held open and allowed.

When an operator attempt is made to select a future year period a decision screen is presented.

Do you want to transfer present
current period SAS status
to now a prior year status?

Y/N —

Caution: When this is done
the prior year SAS
period data is taken
~~off~~ the SAS system

Also a closed EOY Balance sheet
is determined for SAS system
purposes in the new (next) fiscal year

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